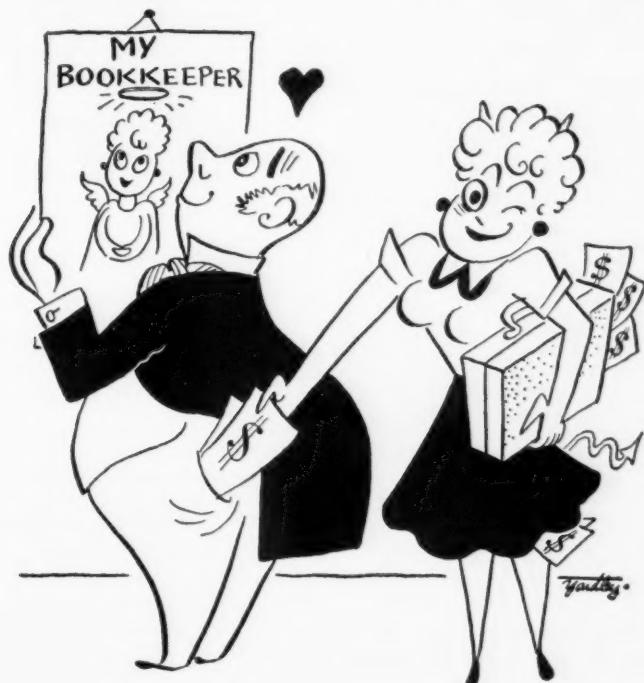


# The NATIONAL UNDERWRITER



**S**aid the boss, "My bookkeeper's a dear;  
So trustworthy, loyal, sincere."  
But his words, when he learned  
That to theft she had turned,  
Were not the sort we can print here.

**INSURED** honesty is definitely the **BEST** policy—for employers!



**FIDELITY AND DEPOSIT COMPANY**  
*Baltimore Maryland*

AFFILIATE: AMERICAN BONDING COMPANY OF BALTIMORE

*Specializing in Fidelity and Surety Bonds; Burglary, Robbery, Forgery and Glass Insurance*

THURSDAY, NOVEMBER 11, 1954

# "Insurance service is not complete without life."



## *The high and mighty...*

... Mighty good business for you—these private and corporate plane owners.

High time you got your share of this business.

And, it's a mighty smart idea to wrap up all their insurance in the same company—fire, auto, liability and aviation, right down the line. Agents know it's much easier to handle an entire account with just one company.

**Our** agents have no difficulty placing Aviation Insurance with us. After all, we're in the INSURANCE business and if we can quite capably insure a man's house, car, boat and other possessions . . . why shouldn't we insure his (or his company's) airplane?

*We'd like to hear from you if you have any Aviation problems.*

## ROYAL•LIVERPOOL *Insurance Group*

CASUALTY • FIRE • MARINE • SURETY  
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ROYAL INSURANCE COMPANY, LTD. • THE LIVERPOOL & LONDON & GLOBE INSURANCE COMPANY, LTD. • ROYAL INDEMNITY COMPANY  
GLOBE INDEMNITY COMPANY • QUEEN INSURANCE COMPANY OF AMERICA • NEWARK INSURANCE COMPANY • STAR INSURANCE  
COMPANY OF AMERICA • AMERICAN AND FOREIGN INSURANCE COMPANY • THE BRITISH & FOREIGN MARINE INSURANCE  
COMPANY LTD. • THAMES & MERSEY MARINE INSURANCE COMPANY, LTD. • VIRGINIA FIRE & MARINE INSURANCE COMPANY



—Says Frank J. Marsden  
1649 Seminole Rd. S.E.  
Grand Rapids, Michigan

"As far as agency income is concerned, we continually derive as much from the sale of life and group insurance as we do from general insurance," says Mr. Marsden.

"Far more important, we honestly believe we are doing a better job for our customer by offering complete insurance service."

• *Continental has "grown up" with general insurance men . . . become one of the "big 25" in record time largely because of them.*

**C A C**  
Your No. 1 choice  
for Life

*From this background and experience has come our full-line concept of insurance service. Close association has shaped our equipment, methods, underwriting and administration . . . making this truly your kind of a life company.*

## Continental Assurance Company *Your kind of Life Company*

ONE OF THE CONTINENTAL COMPANIES, CHICAGO

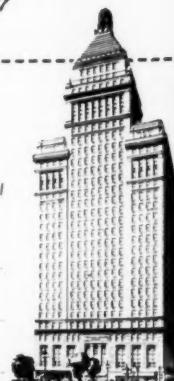
Continental Assurance Company  
Suite 513, 310 So. Michigan Ave.  
Chicago 4, Illinois

I'm open-minded! Please send me your portfolio, How a General Lines Man Writes Life Insurance.

Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ Zone \_\_\_\_\_ State \_\_\_\_\_



# The NATIONAL UNDERWRITER

The National Weekly Newspaper of Fire and Casualty Insurance

58th Year, No. 45  
November 11, 1954

## French Government Insurer Sues for Florida Approval

Acts Ahead of Larson Hear-  
ing but He Informally  
Hears Objections Anyway

Caisse Centrale de Reassurance, which is owned by the French government, has filed suit in the Leon county, Fla., circuit court to compel Commissioner Larson to authorize it to do a reinsurance business in fire marine, and allied lines in that state.

The suit, a petition for a writ of mandamus or show cause order, was filed Nov. 5. Commissioner Larson had called a hearing for Nov. 8 in Tallahassee on the application of Caisse Centrale to do business in the state.

Quite a number showed up for the hearing on Monday, to register their objections to approval of Caisse Centrale, and though it was pretty generally agreed that the hearing by the insurance department was superseded by the court action, Commissioner Larson nevertheless conducted an informal hearing to permit those who had appeared to have their say. A record was kept of what transpired.

Those who appeared objected to the licensing of Caisse, because it is not a corporation or stock company, since there is no stock, but a fund, owned by a foreign government and it would be against public policy to license it. Those who appeared included Richard McKay, president Florida Assn. of Insurance Agents and John Allison, attorney for the association, both of Tampa; Paul M. Shuford of Wicker, Baker & Shuford of Richmond, who appeared for American Mutual Alliance; Vestal Lemmon of National Assn. of Independent Insurers; John F. Neville, secretary and general counsel of National Assn. of Insurance Agents; J. Raymond Berry, general counsel of National Board; Walter L. Hays, president of American Fire & Casualty and American Independent Re, and Robert Gilmore of Assn. of Casualty & Surety Cos.

Attorneys for Caisse Centrale—John B. Orr Jr. of Moorhead, Forrest, Gotthardt & Orr of Miami and J. Kenneth Ballinger of Tallahassee—contended that the hearing was superseded by the court action and that it was therefore illegal. Also, they argued, there is no provision in the law for the commissioner to hold such a hearing.

Commissioner Larson did not argue that the hearing was legal but said he would on an informal basis hear what those who had appeared had to say.

The petition of Caisse Centrale for a writ, which is returnable Nov. 29, described the insurer as a French corporation that is also known as Central Reinsurance Corp. Its headquarters are Paris. It stated that in June,

## Childs & Wood to Continue Insurance Desk at Carson Pirie

The insurance desk maintained by Childs & Wood agency in the Carson Pirie Scott & Co. department store in Chicago, that was opened in September of 1953 for a trial period of a year, will be continued indefinitely, it was announced by John T. Pirie Jr., president of Carson's and Donald M. Wood Jr. of the agency.

"Based on the record of the past year," Mr. Pirie said, "I have concluded we are bringing a valuable service to our customers. The general trend of acceptance warrants continuation of the decision might introduce what NAII considers theories injurious to public welfare in connection with independent underwriting in both fire and casualty."

Mr. Wood said the insurance desk is "actually reaching a new market. By far the vast majority of the policies taken out at Carson's were for insurance the individual did not previously have. The conclusion is that without this new department many would continue unprotected."

About 70% of the policies taken out at the insurance desk use the customer credit machinery at Carson's, Mr. Pirie said. Standing charge accounts were used to pay for approximately 58% of the policies, and the Carson deferred payment plan was used for 12%.

"Therefore, our experience appears to indicate that the department store not only offers a new market for insurance service, but through credit arrangements offers a convenient method of acquiring insurance," Mr. Pirie declared.

The greatest customer interest in policies, according to Mr. Wood, was in

(CONTINUED ON PAGE 37)

## NAII Asks Role of Amicus Curiae in NYFIRO—N. A. Case

National Assn. of Independent Insurers has asked permission to file an amicus curiae brief in the appeal by New York Fire Insurance Rating Organization of the decision of the New York department favoring the independent dwelling filings and partial subscribership of North America. NAII asserts that independent company operations are based on the principles set forth in the New York department's ruling, and although the issues pertain directly to fire insurance, reversal of the decision might introduce what NAII considers theories injurious to public welfare in connection with independent underwriting in both fire and casualty.

"The public has been the beneficiary of competition in the casualty business," the NAII brief says. "It has enjoyed lower rates with no resulting injury to the public or the industry. The same benefits will flow to the purchasers of fire insurance if the superintendent's construction is sustained."

NAII has asked to file its brief with the New York supreme court appellate division, before whom the NYFIRO appeal is pending. It is NAII's contention that NYFIRO is wrong in holding that North America may not subscribe to its services solely on the non-dwelling classes and make independent dwelling rate filings which follow the bureau rating plans and classifications.

"This case," NAII says, "is an attempt by a rating organization to ignore one of the integral conditions to its authority to exist and operate, i. e., making

(CONTINUED ON PAGE 38)

## Two Insurers Challenge FTC on Jurisdiction

One Filing Motion to  
Dismiss, Other Answers  
List of Complaints

Commercial Travelers of Utica is this week filing a motion with the federal trade commission to dismiss the complaint against it and quash the proceedings because of lack of jurisdiction. It is also asking the FTC to set a date, in advance of the Dec. 20 hearing date set by the FTC, at which the jurisdictional question would be taken up in oral argument.

The insurer's specific ground is that it and all other New York state companies are fully and adequately supervised and regulated by the New York department pursuant to state law, and consequently, under public law 15 (the McCarran act) the federal trade commission has no jurisdiction.

Travelers Health of Omaha, through its attorneys, Fraizer & Fraizer of Lincoln, has filed its answer to the FTC complaint, alleging first that the commission is without jurisdiction because the Nebraska department supplies full regulation within the meaning and scope of public law 15.

Travelers Health then says the sentences and pages quoted by the FTC complaint are lifted out of context from the whole, largely from a series of letters which it sends to prospective members. There is no advertising or presentation made to the public at large, but these direct mailings are made to select and preferred lists of individuals furnished and recommended by present members of Travelers Health.

The answer alleges that all Travelers Health advertising statements are true and accurate and that none of the advertising is false, misleading or deceptive. For example, the answer notes that FTC criticized the company for saying: "There is no age limit to which any member may continue protection," and "there is no age limit to continue membership and no increase in premiums to those of advanced age."

Such statements are true, the answer says. Travelers Health has never cancelled a policy of a member on account of advanced age, and it presently has members more than 80 years of age. There has never been an increase because of the advanced age of a member.

The answer then goes on to comment on the various items complained against by FTC, and alleges truthfulness and non-deceptiveness in each case.

Further, Travelers Health says it has complied with trade practice rules relative to advertising as promulgated by FTC in 1950, although it never agreed in writing to do so. The company is not a member of Insurance Advertising

(CONTINUED ON PAGE 38)

(CONTINUED ON PAGE 40)

(CONTINUED ON PAGE 38)

# Give Timetable for NAIC Meeting in New York

The hour-by-hour program of committee meetings and plenary sessions and the topics that are to be taken up are listed for the semi-annual meeting of National Assn. of Insurance Commissioners, scheduled for Nov. 29-Dec. 3 at the Hotel Commodore, New York City.

Matters exclusively of interest to life insurance persons are not included.

NAIC's 1955 annual meeting will be held May 30-June 3 at the Biltmore hotel, Los Angeles.

## Monday, November 29

9:30 a.m.—Subcommittee to study sites for future meetings, Sheehan, Minnesota.

Subcommittee valuation law amendment, Maloney, California. (1) Advisory technicians subcommittee report on new wage distribution by National Council on Compensation Insurance.

10:30 a.m.—Subcommittee on examination manual changes (executive session), Bowles, Virginia.

Subcommittee on multiple line underwriting, Pansing, Nebraska.

Subcommittee on sprinkler leakage and water damage, Jackson, Maryland.

11:30 a.m.—Subcommittee on Blue Cross-Blue Shield, Leslie, Pennsylvania. (1) Extended maternity benefits.

12:30 p.m.—Passe Club International luncheon.

1 p.m.—Subcommittee on examinations practice and procedure manual revision, R. O. Hooker, Connecticut.

2 p.m.—Subcommittee to study enlarging the functions of assistant secretary's office and methods of financing.

Subcommittee on examination methods practices and laws (executive session), R. O. Hooker, Connecticut.

3 p.m.—Subcommittee of commissioners on uniform accounting, Maloney, California. (2) Continuation of present expense groups. (3) Definition of inspection expenses. (4) Definition of acquisition, field supervision and collection expenses. (5) Report of industry uniform accounting committee on basis of allocation. (6) Utilization of time study and unit counts in lieu of flat percentage loadings. (7) Juris-

dition of the NAIC uniform accounting subcommittee over cost analysis of other than insurance expense exhibit.

4 p.m.—Executive committee, Taylor, Oregon. (1) Executive committee report of its meeting, Oct. 25, 1954. (2) NAIC constitution and by-laws. (3) Assistant secretary's report. (4) Federal government activities. (5) Assistant secretary's office functions and methods of financing subcommittee report. (6) NAIC future meeting sites subcommittee report. (7) Special subcommittee reports. (8) Any other matter submitted for consideration.

## Tuesday, November 30

9:15 a.m.—Blanks committee, Robinson, Ohio. (2) Credit life and credit A&H experience (referred by life committee). (3) A&H claims information (referred to by A&H committee). (4) Reporting of indivisible premiums on dwelling policies. (6) Any other matters submitted for consideration.

9:30 a.m.—Fire prevention and safety committee, Cravely, Georgia. (1) Transportation of explosives (N. D.). (2) Fire safety rules and regulations of convalescent and nursing homes (Texas). (3) Any other matter submitted for consideration.

10:30 a.m.—Plenary session, Knowlton, New Hampshire.

1 p.m.—Definition and interpretation of underwriting powers committee, Leslie, Pennsylvania. (1) Classification of fire, marine and casualty insurance (industry committee report). (2) Interpretation of the nation-wide marine definition (industry committee report). (3) Any other matters submitted for consideration.

1:30 p.m.—Valuation of securities committee, Bohlinger, New York. (1) Valuation of securities subcommittee report. (2) Any other matter submitted for consideration.

2:30 p.m.—Fire and marine committee, Bissom, Rhode Island. (1) 1921 standard profit formula subcommittee report. (2) Installation premium reporting in annual statements subcommittee report. (3) Any other matter submitted for consideration.

3:30 p.m.—Examinations committee, Bissom, Rhode Island. (1) Examinations practice and procedure manual revision subcommittee report. (2) Examinations manual changes subcommittee report. (3) Examinations methods, practices and laws subcommittee report. (4) Any other matter submitted for consideration.

4 p.m.—Examinations committee. (1) Examinations practice and procedure manual revision subcommittee report. (2) Examinations manual changes subcommittee report. (3) Examinations methods, practices and laws subcommittee report. (4) Any other matter submitted for consideration.

Insurance sales on U. S. military reservations committee, Smith, Texas. (1) Any matter submitted for consideration.

4 p.m.—Examinations committee. (1) Examinations practice and procedure manual revision subcommittee report. (2) Examinations manual changes subcommittee report. (3) Examinations methods, practices and laws subcommittee report. (4) Any other matter submitted for consideration.

5 p.m.—Federal liaison committee, Bohlinger, New York. (1) Federal trade commission proceeding.

ings against A&H companies. (2) Any other matters submitted for consideration.

Wednesday, December 1.

9 a.m.—Laws and legislation committee, Navarre, Michigan.

Workmen's compensation committee, Northington, Tennessee. (1) Valuation law amendment subcommittee report. (2) Workmen's compensation small policy economies subcommittee report. (3) Any other matter submitted for consideration.

Unauthorized insurance committee, Maloney, California. (1) Insurance sales on U. S. military reservations committee report. (2) On mail order insurance in connection with U. S. senate judiciary committee matter committee report. (3) Undesirable practices of unauthorized insurers. (4) Any other matter submitted for consideration.

Rates and rating organizations committee, Sheehan, Minnesota. (1) Multiple line underwriting subcommittee report. (2) Sprinkler leakage and water damage statistical classification subcommittee report. (3) Any other matter submitted for consideration.

2:30 p.m.—Uniform accounting committee, Fischer, Iowa. (1) Uniform accounting subcommittee report. (2) Commissioners uniform accounting subcommittee report. (3) Any other matters submitted for consideration.

Zone 6 meeting—Sullivan, Washington.

4 p.m.—A & H committee, Martin, Louisiana. (1) Blue Cross-Blue Shield subcommittee report. (2) A&H committee report. (3) Any other matter submitted for consideration.

Thursday, December 2.

9 a.m.—Executive committee, Taylor, Oregon. (to complete agenda).

2:30 p.m.—Plenary session, Knowlton, New Hampshire.

Friday, December 3.

9:30—Plenary session (executive), Knowlton, New Hampshire.

## Pacific Northwest CPCU Elects Sterling Stapp

Sterling J. Stapp of D. K. MacDonald & Co. was elected president of the Pacific Northwest CPCU chapter at its annual meeting in Seattle. He succeeds LeRoy Hunter.

Dwight B. Aden, Spokane, was elected vice-president; Gladys C. Main, Frank Burns, Inc., secretary, and Sam Melrose, Jr., American Surety, Seattle, treasurer.

William D. Winter, chairman of Atlantic Mutual, was elected an honorary member of *Mariners Club of Philadelphia* at a luncheon there. He accepted election by letter. Norman McCabe, special agent in charge of the Philadelphia office of federal bureau of investigation, spoke.

## Highlights of the Week's News

Allstate executives discuss aspects of their company's plans, underwriting, traffic safety ..... Page 3

Cincinnati agents stage debate on multiple line legislation ..... Page 10

Joe Hunt is new Oklahoma commissioner ..... Page 10

E. R. Hurd urges Maryland agents to make competition, not discuss it ..... Page 11

Commissioner Jackson of Maryland says public will demand compulsory or a good alternative ..... Page 7

Pros and cons of UJ discussed by panel at NAII meeting ..... Page 27

Eugene Thore says new congressional leaders might desert A&H reinsurance ..... Page 6

NAIC agenda for midyear meeting is announced ..... Page 2

Rodney J. Brooks is new president of Maryland agents ..... Page 2

Paul Olinger awarded WUA citation ..... Page 39

Combs withdraws resignation and is still Arkansas commissioner ..... Page 4

Minnesota agents, employers line up against state disability ..... Page 4

French government insurer sues for approval in Florida ..... Page 1

Childs & Wood agency to continue its insurance desk at Carson Pirie Scott department store in Chicago ..... Page 1

NAII asks role of amicus curiae in NYFIRO-North America case ..... Page 1

Jurisdiction of FTC challenged by two A&H insurers ..... Page 1

"Ideal" WC act for states is under consideration of Department of Labor; ask cooperation ..... Page 13

California A&H men promised more cooperation from local medical association at annual meeting ..... Page 16

Insurers of Tennessee get tips on meeting direct competition from John Hines ..... Page 5

## Md. Agents Choose Brooks; Push New Safety Campaign

### Hurricane Losses and How to Handle them to Best Effect Discussed

Hurricane Hazel and its myriad losses was the main topic of conversation at the annual meeting of Maryland Assn. of Insurance Agents in Baltimore, even though the theme of the meeting was the automobile safety campaign the association is planning to launch soon. More than 500 agents attended.

New officers are Rodney J. Brooks Jr. of Tongue, Brooks & Co., Baltimore, president; Brian B. Kane of Chestertown, retiring president, board chairman; J. Vernon Coblenz, Frederick, state national director; Robert J. Thome, Baltimore, secretary; and Truman B. Cash, Westminster, treasurer. C. K. Oakley, executive secretary, was retained in that capacity.

Discussing how agents can help adjusters in catastrophe losses, F. W. Westervelt Jr., director of public relations of General Adjustment Bureau in New York City, pointed out how the bureau goes into action when a catastrophe strikes.

There is a regular routine in which agents can take part. The best ways they can help allay confusion are by making up the loss adjustment forms, calling policyholders to ascertain whether they have sustained a loss, and by telling insured what they must do to prevent further damage to property and by advising temporary repairs where necessary.

The hurricanes this year have been unusual, but with weather trends apparently changing, hurricanes may become the rule rather than the exception, he pointed out. Agents should know what to do when the occasion arises.

Carol and Edna flooded the business with 350,000 to 400,000 claims in 11 days, he said. Hazel, a month later, brought an additional 400,000 to 450,000 claims. A volume of 800,000 losses requires the cooperative effort of adjusters and companies.

When Hazel was first reported forming south of Haiti, Mr. Westervelt said, the Atlanta GAB office began tracking the storm to check where it was going and when. Florida adjusters began making preparations long before it was known where it would strike, he said.

As a matter of course GAB keeps certain key locations stocked with catastrophe storm operation supplies—typewriters, necessary forms, desks and the like—so the organization can go into action immediately. When Hazel hit Myrtle Beach, adjusters already were looking for emergency office locations, he said. They were set up 30 hours after the hurricane had passed.

GAB adjusters from the southeast were working in New England adjusting claims from Carol and Edna at the time, but were notified to return to their regular offices. Directly affected by the first two hurricanes were GAB branch offices. Hazel affected 27 more. Twenty-one emergency adjusting offices were set up after Carol, 36 after

(CONTINUED ON PAGE 37)

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### Foreign Risks

Your clients property abroad can be covered immediately through our London office. Claims and settling agents throughout the world. Why not have one of our fieldmen call and explain how Stewart, Smith can best help you cover foreign as well as domestic property.

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SYDNEY MONTREAL PHILADELPHIA HONG KONG CHICAGO

## Allstate Executives Discuss Aspects of Company's Plans, Underwriting, Etc.

Allstate executives visited the east last week to participate in the formal opening of the company's branch office at Harrison, N. Y. However, the executives made the visit occasion for a press conference in New York City and a dinner at Westchester country club, Rye, N. Y., the latter attended by members of the press, bankers, civic leaders and others.

Among other things, Calvin Fentress Jr., president, and other executives indicated how Sears Roebuck & Co. got into automobile insurance, what Allstate believes is the future of the business, some of the underwriting policies of the company, its promotion of traffic safety, and, at the new branch office, key procedures for handling expeditiously a large volume of business.

In addition to Mr. Fentress, J. B. Branch, senior vice-president, field administration; H. S. Moser, vice-president, general counsel and secretary; R. B. Pelson, treasurer; A. E. Spotke, vice-president, public and industry relations, and P. W. Briney, assistant vice-president and personnel director, were on hand from the home office. At the press conference and dinner, in addition, were H. M. Mereness, vice-president of the eastern zone, Newark; J. T. Moran, Harrison resident manager, and T. J. Spenger, manager of the 23d street, Manhattan, office.

In 1930, Mr. Fentress said, General Robert E. Wood of Sears Roebuck conceived the idea of an automobile insurance company because he believed the automobile would have a tremendous impact on the economy. He believed that his firm could start a mail order automobile insurer, and he did so, in 1931. It was an immediate success by mail. In 1937 Allstate began to use agents, who were put into Sears stores. Allstate rents booth space in such stores.

The company, he said, believes in decentralized operation and today has 26 branch offices and 136 district claims offices. Agents sell out of these offices as well as out of 428 Sears stores and three direct Allstate sales outlets. Though agents out of these offices are not achieving the same results as agents working out of Sears' stores, they are doing a big job, he said.

By the end of the third quarter of this year Allstate had written more than \$200 million in premiums and expected to end the year with more than \$210 million, a 20% increase over 1953. Profit will be larger this year than last. Fire premiums will run \$600,000 to \$750,000.

The company is pressing its decentralization program. Mr. Fentress said that Allstate must have complete facilities available to customers, country over. This is a service business, so there must be claim service available everywhere. Many district claim offices are set up so that insured can drive in, talk with a material damage adjuster—many of whom are trained via the garage repair route—and get a check for the PHD loss then and there.

The big problem continues to be automobile accidents, he said. Each month of 1954 has shown an improvement in the accident record despite increased registration and mileage. Even in New York and New York City the experience is better. He estimated the frequency at 3 to 4% better, but the

severity, the cost per accident, is higher on every automobile coverage.

He said Allstate is encouraging its people to take part in the President's safe driving day in December, at the local level. There is plenty of technical safety know how but this needs to be backed up by local effort.

He stressed the great need of educating young drivers, and the training of trainers. The company discounts rates

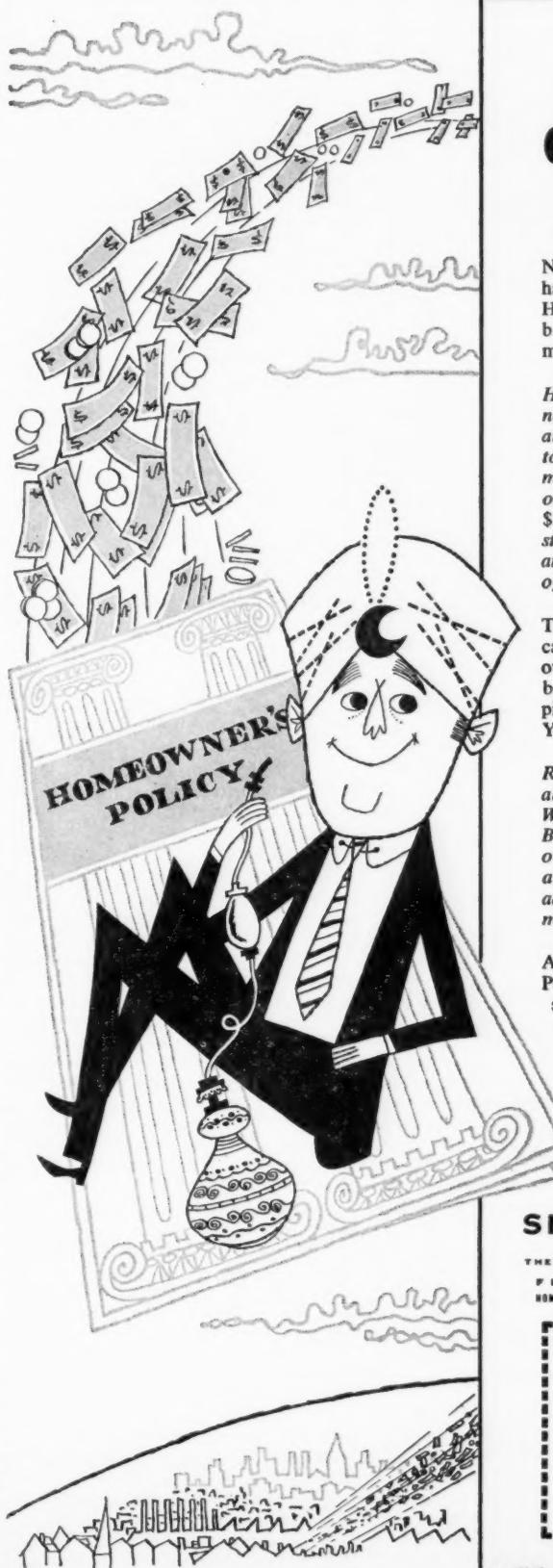
for young drivers completing approved driver training courses in high school. In addition, through Allstate Foundation, grants are made to colleges for establishing courses to train H. S. teachers in proper driving instruction techniques. Such grants have been given New York State College for Teachers, Brooklyn College, State University of New York College for Teachers, Rutgers, Pennsylvania State College and Teachers College of Connecticut—among 22 colleges to receive grants this year.

There has been some discussion of

Allstate claims policy and loss reserves. In this connection Mr. Fentress said he believes the reserves are on the plus side and that as claims presently pending are settled the company will get some of the reserves back. About 98% of Allstate claims now are handled by its own personnel. If this is the modern way to deliver service, he said, then Allstate's plan of operation will continue to prove successful. The company now has 2.5 million policyholders.

He said that the company simply

(CONTINUED ON PAGE 30)



## The Magic Carpet to GREATER PROFITS from Personal Clients

Not since the automobile has anything come along that has had such impact on the local agency business as the Homeowners Policy. This is partly because this modern, big, economy-size insurance "package" means a lot more profits on residence-and-contents business.

Here's the main reason for its success. Story after story comes to us from agents about how easy it is to sell this contract. An agent in a town of 10,000 sold 700 in a year. One agent in a medium-size city in six months sold over 200 Homeowners Policies with premiums of \$45,000, of which \$30,000 was net increase. It became available in a new state, an agent went out and told ten people about it, and nine bought it — at average three-year premiums of over \$200 each.

This is quite a bandwagon! It's one mighty few agents can afford to miss. Because if you don't sell the Homeowners (if it's available where you are) then it won't be long before your renewals will turn out to have been picked up by your competitors' Homeowners Policies. Your clients will be so sorry — but it's too late by then.

Recently we collected all the good ideas we could find about how to promote and sell the Homeowners Policy. We put them into a new issue of our Agency Sales Bulletin. There's a list of the advantages of the Homeowners Policy that takes a couple of columns. There's a suggested sales talk, a letter, a folder, newspaper advertisements, radio and television spot announcements, and an outline of the coverages.

Anyone who is now or may be selling the Homeowners Policy should have this new Bulletin. We've already sent it to our own agents, of course, but perhaps you'd like to have one, too. If you're in a state where the Homeowners Policy is not yet written, it will pay you to see this complete data now, to be ready when the time comes. Sending the coupon won't obligate you in the slightest, and may bring you some money-making ideas. Send the coupon today.

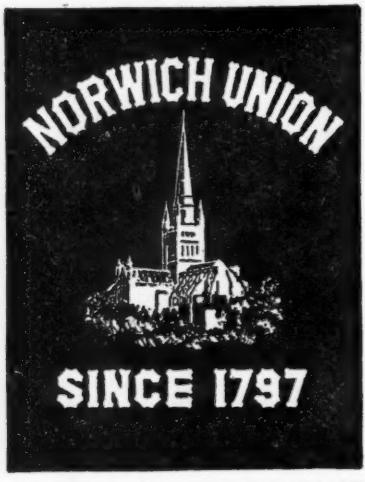
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Please send me, without cost or obligation, a copy of your new Agency Sales Bulletin on the Homeowners Policy.  
Name \_\_\_\_\_ (please print)  
Street \_\_\_\_\_  
City or Town \_\_\_\_\_  
State \_\_\_\_\_

## Combs Withdraws Resignation; Still Ark. Commissioner

LITTLE ROCK—Harvey G. Combs is still insurance commissioner of Arkansas, but only after Gov. Cherry, after some reflection, asked Combs to withdraw his resignation.

The story began Oct. 29 when Combs suddenly felt obliged to resign prior to making a Little Rock television appearance on behalf of Democratic gubernatorial nominee Orval E. Faubus. Faubus, who was elected by a large majority, succeeds Cherry as governor in January, and predictions have been made that Combs will be Faubus' appointee commissioner.



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Oct. 30 Gov. Cherry named assistant commissioner John McLeod, Jr. as acting commissioner to succeed Combs and then departed from the state, not to return until late the following Tuesday (election day).

Nov. 1, as it opened for business, the department was a scene of indecision and confusion. Auditors from the state comptroller's office started their examination of department records to "check out" Mr. Combs, all preparatory to making it possible for him officially to surrender custody of some three millions in insurance securities on deposit with the department to McLeod as soon as the latter properly could qualify with the necessary commission from the governor and could post the proper surety bond.

Confusion reigned as to who had authority to act for the department during the changeover. Combs had resigned. McLeod as yet had no commission and no bond. Commissioner Combs finally ruled that until his successor had been duly qualified and since he, Combs, was still personally responsible for the securities, he had no choice but to continue to act officially as commissioner.

Nov. 4 Gov. Cherry requested Combs to withdraw his resignation and asked him to continue in office until January when governor-elect Faubus takes over. Combs agreed.

In a public statement, Gov. Cherry said: "The best interests of the people as well as those of the insurance industry would be served by Combs' retention as commissioner. Many incomplete hearings and other matters with which Mr. Combs is personally familiar are scheduled for action between now and January. "The insurance commissioner serves under bond as custodian of millions of dollars in securities, and any change in the department prior to the end of the year would be both tedious and expensive." Cherry said that he had received Combs' resignation through the mail during his absence from the state over the weekend.

Mr. Combs was secretary of the Democratic state committee for nearly 25 years and has long been a recognized leader in the Democratic party. Prior to becoming commissioner he served as counsel in Arkansas for the Missouri Pacific Railroad for more than 30 years.

### Uphold License Feature of Ark. FR Law

The constitutionality of the Arkansas automobile financial responsibility act has been upheld by the state supreme court. The act provides for suspension of the driving privileges of persons involved in accidents who are financially irresponsible.

State Revenue Commissioner Vance Scurlock suspended the licenses and cancelled the registrations of George Franklin and Sylvester Simons when they failed to post security covering claims growing out of accidents in which they were involved. The two appealed to the circuit court and testified they were not responsible for the accidents.

The state supreme court rejected their arguments. It stated that the legislature has named the conditions under which the privilege of operating an automobile may be exercised. Franklin and Simons did not comply with those conditions. The decision was by a vote of 5 to 1. The dissenting opinion stated that the act permitted the drivers the right to be heard on the question of negligence.

### Minnesota Agents Line Up Against Compulsory A&H

ST. PAUL, MINN.—Insurance men here voiced strong opposition to any form of state-administered sickness and disability insurance at a public hearing at the state office building. The hearing, called by the special advisory council on sickness and disability insurance, was the final step before the drafting of recommendations to be presented to the governor and the legislature regarding the need for legislation providing coverage for those temporarily unemployed by sickness or disability and not covered by workmen's compensation.

Speaking for Minnesota Assn. of Life Underwriters, President Sabel J. Anderson said members of his organization "are unalterably opposed to any move toward further socialization in the insurance field." Private industry is doing an adequate job in taking care of workers' needs, he said, adding that public acceptance of insurance offered by private companies shows the public is willing to risk economic ills and does not want compulsory insurance.

"Compulsory health and disability insurance would mean more compulsion on employers and would punch another hole in the worker's paycheck," declared J. Peter Devine, president of Minnesota Assn. of A & H Underwriters.

Also taking part in the discussion were representatives of the Minnesota, Minneapolis and St. Paul agents' associations, as well as speakers from small business firms who lined up with agents in the fight against compulsory A & H.

"The pressure is heavy on small merchants now," said Thomas H. Hodgson, spokesman for Minnesota Retail Federation. "We are paying for unemployment compensation, workers' compensation insurance and other business overheads. We can't pay out much more."

Four objections to the state plan were offered by Edwin W. Elmer, representing Minnesota Canners & Freezers Assn. and Independent Retail Lumbermen's Assn.:

1. Private voluntary plans are available that can be tailored to fit any industry; 2. Absenteeism would be increased; 3. Industry has no problem in securing adequate coverage from private sources, and 4. A state plan would be more expensive and less efficient.

An employer should not be taxed to pay for such normal hazards as sickness and disability, which are in no way connected with employment, he said.

### Southern California Surety Men Elect

E. S. Cunningham, Standard Accident, was elected president of Surety Underwriters Assn. of Southern California at the annual meeting at Los Angeles. H. J. Pottinger, Fidelity & Casualty, and A. L. Blackburn, Hartford Accident, were elected vice-president and secretary-treasurer, respectively.

On the executive committee in addition to the new officers are the immediate past president, A. H. Burnet, American-Associated; P. J. Gauthier, Continental Casualty; R. Allen Moss, Glens Falls group, and L. H. Schwedea, Fireman's Fund.

### Surety Underwriters, N.Y., Elect Kehrl, Moritz, Capatosto

Elected at the annual meeting of Surety Underwriters Assn. of New York were Fred J. Kehrl, Hartford Accident, president, succeeding Donald F. Harned, Travelers Indemnity; Sidney Moritz Jr., Aetna Casualty, vice-president, and Salvatore Capatosto, Hartford Accident, secretary-treasurer.

The new executive committee consists of Russell F. Morton, Fireman's Fund Indemnity; Joseph R. Ascitutto, Employers' group; Peter R. Cummings, Springfield F. & M.; A. J. Enthistle, New Amsterdam Casualty, and Messrs. Kehrl, Moritz and Harned.

Warren N. Gaffney, new general manager of Surety Assn., was introduced and spoke of the value of the "informal contact" between his association and the business.

### Amos Is President of Ill. Mutual Agents

Illinois Assn. of Mutual Insurance Agents at its two-day annual convention in LaSalle, elected D. M. Amos of DeKalb president to succeed E. E. Bartlett of Moline. John B. Read, Chicago, was named vice-president and Claude E. Spencer was reelected secretary-treasurer.

Directors elected for a three-year term are: Pete Ravenstein, Mt. Carmel; Orville Varland, Rockford; George Dressler, Chicago; Ira C. Johnson, Aurora, and Walter L. Dailey, East St. Louis.

Appearing on the convention's all-star program, which attracted some 140 members of the three-year-old association, were: Phillip L. Baldwin, executive secretary of National Assn. of Mutual Insurance Agents; Robert McKinzie, manager bond department Auto-Owners Mutual, and Harry E. Hudelson, Mill Owners Mutual.

Also, William F. Starck, vice-president Badger Mutual; William H. Rodda, secretary Transportation Insurance Rating Bureau, Chicago, and Dr. Richard C. Steinmetz, chief special agent Mutual Investigation Bureau, Chicago.

There was a symposium on "What Dwelling Form Shall I Sell—49-B, 49-S, Comprehensive, Homeowners, or Just Plain Fire & EC?" Moderated by F. E. Dinninger, vice-president, Indiana Lumbermen's Mutual, participants were: C. E. Stevens, Illinois manager United Adjustment & Inspection, Peoria; Robert Anderson, Traders Insurance Agency manager, Peoria, and Mr. Varland, Varland Agency, Rockford.

United Adjustment & Inspection and Auto-Owners Mutual were luncheon hosts and Iowa Mutual and Employers Mutual of Des Moines sponsored a cocktail hour.

A membership goal of 300, or double the present number, was set for the coming year.

### Bars Continental Casualty Courses

Commissioner Maloney of California has withdrawn approval of courses offered by Continental Casualty for holders of certificates of convenience to qualify to act as liability agents. The order, effective Nov. 15, does not apply to those who started the courses before that date.

The commissioner will not approve new applications for 60 days after Nov. 15; he is conducting an investigation to determine if the courses comply with the California code.

## Hines Suggests Changes if Agency System Is to Meet Direct Price Competition

Agency company average expense in 1953 was 40.8%, John F. Hines of Hines Brothers, Atlanta, southern managers of Crum & Forster, told the convention in Memphis of Insurors of Tennessee. The Allstate expense was 25.1%. Its commission of 15% on the first year's premium and 6.5% on each extension average 8.5%. Its percentages are on its lower premium, so the dollar difference is even greater.

"Where our annual rate is 1%, or 4% for five years, Allstate takes one-fifth of our term rate, or 80 cents, and then cuts that 20%. Its rate is 64 cents."

The present 20% discount of Allstate is based mostly on expense saving. A substantially larger discount can be expected as soon as the company accumulates loss experience. This will be soon because it writes no policy longer than one year.

Allstate will not write dwellings under \$5,000 or household furniture under \$2,500, or either where insurance to value is less than 75%. The more the dwelling is below \$5,000, the higher the loss ratio. It stands to reason this 20% deviation will be substantially increased because of that underwriting selection.

"But remember, under the present 20% deviation, where we collect \$1 the first year under a term policy, the competitor will collect 64 cents," he said. So the first year there is a deviation of 36%. Then it drops down to 18% for the other four years under the 5-year installment policy, or to approximately 15% under the 5-year cash policy.

That is pretty tough, but if the loss experience permits Allstate to raise that discount to, say, 30% or 35%, instead of 20%, there really will be a problem.

"At 30%, where we would collect \$1 the first year under a term policy, Allstate would collect 56 cents. In my opinion that is not only possible, but very probable, and should be taken into consideration in our planning."

He said there is a revolution in the making, and there is going to be some blood shed, figuratively. However, he declared, the agency system is best for both the public and the companies, and it will not fold up. Adjustments are, however, inevitable, and timing is vital.

"Alleged agents" based at stores or at booths are a new force and a strong one "that is moving in on us. Others will follow, as they have in the auto insurance field. Smaller towns are not going to be overlooked, although larger towns come first. The rates are higher in the smaller towns so the dollar saving will be greater and the inducement more alluring. This type of competition has already swung many dividend mutuals over to rate deviations instead of dividends."

Any soundly operated company can have direct selling at a lower rate, or agency selling at high commission. If by selective underwriting the market is so restricted because of low rates on the one hand, or high commissions on the other, that a large element of the population is excluded from insurance coverage, then the agency system goes out the window and the government comes in. The worst blow that could come to the agency system, Mr. Hines believes, would be for all com-

panies, or even a substantial number of the larger ones, to follow either course.

Is it not logical to think that a giant mail order and chain store corporation, with branches spread across the country, can make a dent in insurance buying habits? Mr. Hines wondered.

A large national grocery chain which owns two stock insurers and directs a

mutual contemplates going actively into insurance through its stores, he said. Even local stores, to protect their mercantile trade, may have insurance departments selling on a price basis. About half of fire and allied lines business is exposed to this type of competition. Auto is a separate subject and should be dealt with separately.

Mr. Hines believes agents will have to stay within 10% to 15% of competitors' prices and probably work a little harder to maintain a really dominant position in the dwelling lines. Houston agents are finding it difficult to hold

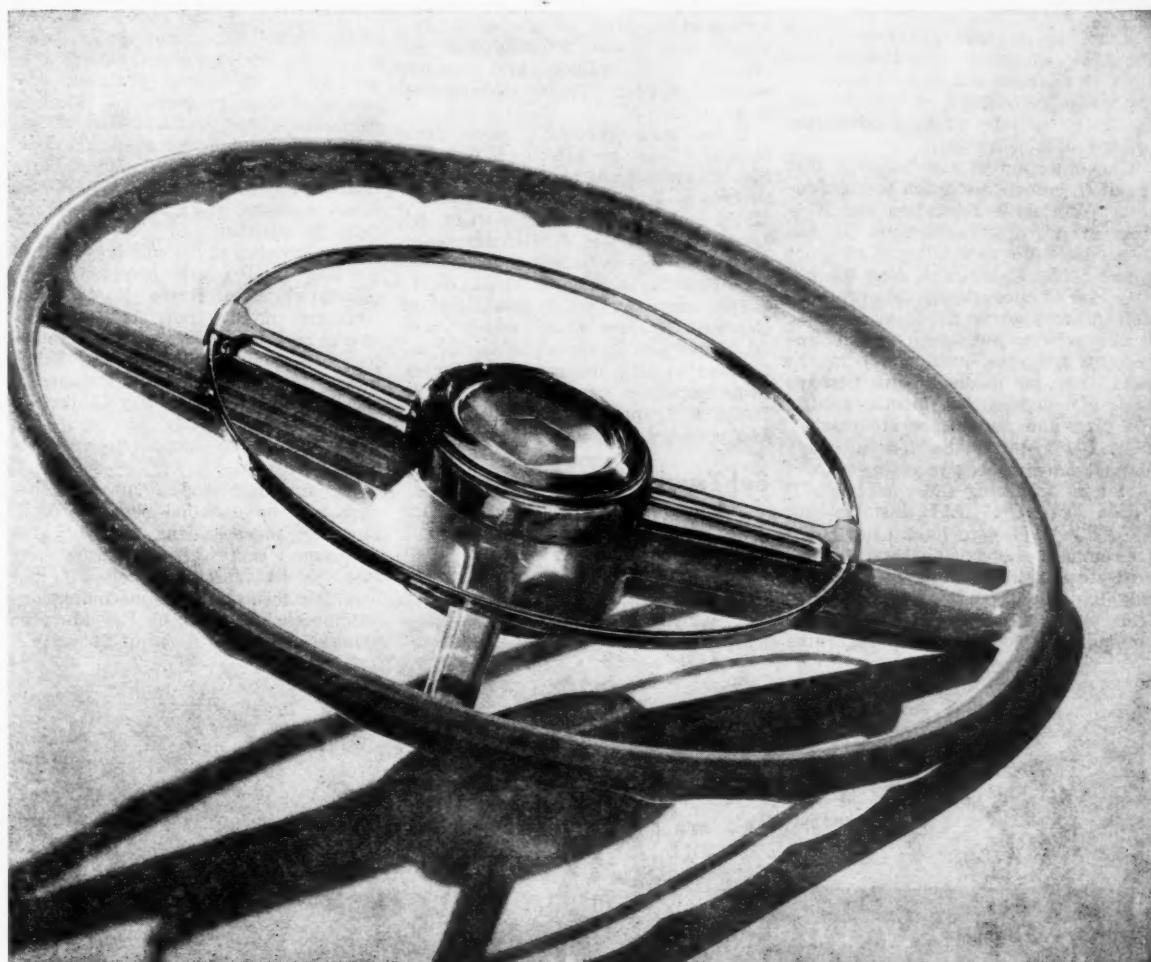
their dwelling business or get new dwelling business because of 20% rate deviations filed countrywide by a number of smaller stock companies and mutuals, he said.

Mr. Hines thinks agents should drop the idea that change comes slowly. Look at the inroads into the auto business. Judgment is the ability to make the right decision at the right time.

Agents should think about doing away with flat cancellations. They should realize that mechanization reduces expenses. Can the companies do

(CONTINUED ON PAGE 36)

"Unforeseen events . . . need not change and shape the course of man's affairs"



## Wheel of Chance

It's the wheel of your car. No matter how careful you are . . . how well you drive.

There's always a chance. A bad smash up. A wrecked pocketbook. Unless your insurance is right. Your Maryland Agent has built his career on knowing what insurance you should have. He knows *how much* you should carry in what types — fire, theft, collision, liability, basic and extended medical. He's carefully trained, well informed, up to date. Call him today. Have him arrange adequate protection for you . . . your family, your guests, your pocketbook. **ALWAYS** remember, the wheel of your car is a wheel of chance. Handle it with care.

## MARYLAND CASUALTY COMPANY

Baltimore 3, Maryland

*There are many forms of Maryland protection for business, industry, and the home. Casualty Insurance, Fidelity and Surety Bonds, and Fire and Marine Insurance are available through 10,000 agents and brokers.*

Another striking advertisement to help build more business for the local agent or broker by dramatizing the importance of his knowledge and judgment.

**DIFFERENT APPROACH?****New Congressional Leaders May Desert A&H Reinsurance**

It is "conceivable" that the new majority leaders in Congress will advocate some other approach to the problem of health insurance that may not employ the reinsurance principle, said Eugene M. Thore, general counsel of Life Insurance Assn. of America, at the annual meeting of Life Insurance Agency Management Assn. at Chicago.

There is no doubt, however that the A&H reinsurance bill, though possibly in a form less objectionable to the insurance business, will be offered again and will be strongly advocated by the administration.

One objection to the bill was that it left too much discretion to the Secretary of Health, Education and Welfare in drafting regulations. It can be assumed the new bill will be more specific, Mr. Thore said. Also the bill may aim at encouraging experimentation in areas where the least coverage is now written but which present important problems, particularly in the field of major medical, with perhaps some emphasis on low income groups, the aged and perhaps rural areas.

Mr. Thore said the federal trade commission has been receiving a flood of letters following the complaints it issued against 17 A&H insurers but the FTC's replies to letters not based on company advertising clearly demonstrate that the commission "is properly limiting its action to trade practices in the field of advertising" and recognizes that inquiries regarding

company solvency, the right of the insurer to cancel or reject claims, and the like, are the exclusive jurisdiction of the state insurance commissioners.

The FTC, said Mr. Thore, feels confident that it has jurisdiction in the case of the 17 A&H companies, its contention being that in some states advertising is not regulated by specific statute.

**Ins. Co. of St. Louis Ups Capital, Surplus**

Ins. Co. of St. Louis has increased its capitalization and surplus from \$1,200,000 to a total of \$2,000,000 through the sale of 5000 shares of the company's stock at \$160 per share. Capital, which had been \$500,000, was increased to \$1 million, and surplus, which had been \$700,000, was upped to \$1 million.

Three new directors have been elected. They are Herbert Wehrenbrecht, vice-president of General Insurers, a general insurance agency; R. E. Hafer, vice-president of St. Louis F. & M., and John Armbruster, executive vice-president of Community Federal Savings & Loan.

The company is a subsidiary of General Contract Corp. which owns six banks and owns or is heavily interested in four insurance companies, owns Securities Investment Co. of St. Louis, and approximately 30 finance and personal loan offices.

**Set Truck Cover Hearing**

Public service commission of New York will hold a public hearing Jan. 6 in Albany to inquire into whether truckers should carry more insurance in view of higher awards in highway negligence suits. The commission now requires truck operators to carry at least 10/20/5.

**Agenda Ready for Big Indiana Agents Convention**

The program for the annual meeting next week of Indiana Assn. of Insurance Agents follows the outline that has been so successful in the past. The Indiana meetings are notable for tremendous registrations, running in recent years well above 1,000.

The meeting proper begins with a luncheon Monday of rural and small lines agents. The preceding evening there will be a dinner of the directors.

Ray L. Strayer Sr. of Warsaw, will be in charge of the rural agents' meeting. Talks will be given at this session by J. C. Bishop, assistant secretary of Ohio Farmers, on "Meeting Automobile Competition;" John Downie, Jr., special agent of Aetna Fire, on "New Tools to Sell More Farm Insurance," and William H. Gove, vice-president of E.M.C. Recording Corp. of St. Paul.

That evening there will be a dinner for the local board presidents and secretaries with Harry E. McClain, secretary of the Indiana association, in charge. Crum & Forster will be hosts for this affair, at which the Home movie, "Agents Community Relations," will be shown, and H. Ray Walker of South Bend will talk on the South Bend-Mishawaka junior fire department plan.

The first full session Tuesday morning will be presided over by E. E. McLaren, the president, who will give his annual report. The program calls for a panel discussion on all risk dwelling forms, a talk on compulsory automobile insurance by Ray Murphy, general counsel of Assn. of Casualty &

Surety Companies; a traffic safety talk by H. L. Myers, executive director of Indiana Traffic Safety Foundation, and a discussion of agents and appraisals by William Y. Armstrong, vice-president of American Appraisals.

In the afternoon the agents will have their business session and discussion, and there will be talks at this meeting by Dr. Harry J. Loman, dean of the American Institute for Property & Liability Underwriters, and M. J. Whitmar, vice-president of Dinerman & Co. advertising agency of Cincinnati. The banquet will be Tuesday evening, and there will be entertainment in connection with this.

On Wednesday, there will be an "Information Please" panel presided over by James C. O'Connor, editor of the F. C. & S. Bulletins of The National Underwriter Co., and assisted by Don Bell, Richmond; Richard Cain, Evansville; Irving Heath, Noblesville; Ray H. Kennedy, South Bend, and Gordon G. Miller, Columbus.

Commissioner Harry E. Wells of Indiana will give an address at this session, as will Stuart W. Doty, local agent of Grand Ledge, Mich., who will discuss "Finding Time to Sell."

The convention will be concluded with a luncheon at which Joseph A. Neumann, Jamaica, N. Y., president of the national association, will give a talk, and the Indiana awards to local boards and outstanding agents will be presented.

**State Files to Put Texas County Mutual Out of Business**

A temporary restraining order freezing the assets of Pioneer Western Mutual of San Antonio was issued at Austin after Texas Attorney General John Ben Shepperd filed suit to put the company out of business. The attorney general alleged Pioneer Western was fraudulently organized and is now insolvent.

Judge Charles O. Betts of district court, who issued the restraining order, set a hearing on temporary injunction and appointment of a receiver for Nov. 12.

Fifteen Texas insurance companies have been placed in receivership by state action since Jan. 1, 1953.

Shepperd's suit against Pioneer Western, a fire, marine and casualty insurer chartered under the county mutual laws, was filed at the request of the board of insurance commissioners. It alleges that the company, originally licensed July 22, 1953, made fraudulent misrepresentations to the board in obtaining its license and in later examinations of assets. The company now is alleged to be insolvent in the amount of \$220,000. Admitted assets are \$338,000.

Listed in the petition as officers were W. C. Brickley Jr., president; Charles Stafano, vice-president, and Marianne Emerson, secretary-treasurer.

**Former Providence Wash. V-P Joins Wm. H. McGee**

W. B. Froehlich, formerly vice-president for casualty of Providence Washington, has been appointed western manager of Wm. H. Mr. McGee & Co.'s new multiple cover department. Mr. Froehlich also had been with Moore, Case, Lyman & Hubbard at Chicago.

**Stuyvesant Offices Moved**

The executive offices of Stuyvesant Ins. Co. have been moved to 1105 Hamilton street, Allentown, Pa.

**ALL DAY LONG**

*The Insurance Agent  
is a Good Man  
to Know!...*

**Ohio Farmers Companies**

OHIO FARMERS INSURANCE COMPANY - Chartered 1848

OHIO FARMERS INDEMNITY COMPANY

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EASTERN DEPARTMENT, Philadelphia . . . PACIFIC COAST DEPARTMENT, Los Angeles

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**JACKSON OF MARYLAND****Public Will Have Compulsory Auto or an Alternative**

Though there may have been some exaggeration of the evils resulting from the operation of uninsured motor vehicles, it is axiomatic that the public demands correction of this condition in some manner, Commissioner Jackson of Maryland told the annual convention in Baltimore of Maryland Assn. of Insurance Agents.

"If a practical solution is not found, then I suspect that the general assembly may enact into law some form of compulsory insurance," he declared. The proposed unsatisfied judgment law was defeated in Maryland. "The question is—what have we to offer in its stead?"

"If we are going to have compulsory motor vehicle liability insurance, it appears to me that it is in the public interest and the agent's interest to attempt to preserve some forms of free market where the motorist with a good record can obtain protection at a reasonable cost, without bearing the burden of paying for the damage caused by willfully negligent operators; otherwise, we will have increased premiums for all motorists and possibly decreased commissions."

One solution mentioned is a state fund for the insurance of motorists rejected by commercial insurers, he said. This would give the insurers a right to reject substandard risks, yet permit them and their agents to underwrite on a selected basis. However, state funds, as such, have usually been opposed by the insurance business.

The Maryland deputy insurance commissioner, he said, advocates compulsory automobile insurance with a compulsory deductible provision. This would require the motorist to pay the first \$200 of each loss or forfeit his privilege of owning or operating a motor vehicle. It would eliminate nuisance claims for small damages and should promote careful driving. Instead of having a driver conscious that the law will guarantee that he obtain insurance covering damages resulting from his careless operation of a motor car, "we would have a driver who would think about his own driving because each time he is responsible for an accident he may be costing himself \$200 and jeopardizing his privilege to operate a motor vehicle."

Mr. Jackson said that the department gets about 2,000 complaints a year from policyholders, beneficiaries and claimants who call on the department's insurance adviser as to their rights under insurance contracts. The adviser often assists them in the collection of claims. Eliminating third party claims, he said that the results are about 50-50 as to whether or not complaints are justified. The claims of about half of those who go to the department are collected, in whole or part. However, he noted that the commissioner does not have legal authority to compel a company to a claim, he cannot issue an enforceable judgment.

Many complaints are received from third parties and result from motor vehicle accidents. Third parties should not appeal to the commissioner, he said. Their interests are contrary to

the interests of the policyholder. If the insurer pays the claim of a third party, it automatically bars the policyholder from collecting his damages from either the third party or his insurer, he said. It is customary in this respect for insure to observe the request of the policyholder, and the commissioner is not critical of an insurer for doing so. On the other hand, he said, since it is not in the public interest to renew the license of insurers that do not pay their claims fairly and promptly, the department

is alert to ascertain the unethical claim practices of any company licensed in Maryland.

An insurance agency, he commented, is one of the few independent business activities that can be started by an individual without working capital. The very fact that companies permit agents to collect premiums, commingle funds and remit at a later date makes necessary a close and intimate relationship demanding loyalty and cooperation. The lack of consciousness of this privilege, which an agent en-

joys at the company's expense, and of this mutual cooperation and loyalty, sometimes puzzles Mr. Jackson in connection with the rather vigorous expressions of some agents which indicate wide differences of view with the managers of the companies they represent.

There is need for cooperation by the company also, because it must have informed, loyal and reputable agents to represent it, he said. The services which the agent performs for the company

(CONTINUED ON PAGE 26)

# NORTH AMERICAN CASUALTY AND SURETY REINSURANCE CORPORATION

161 EAST FORTY-SECOND STREET

NEW YORK 17, N.Y.

DOWNTOWN OFFICE

80 JOHN STREET, NEW YORK 38, N.Y.

*do it yourself*

## EXCEPT WHEN IT COMES TO INSURANCE

Rich man, poor man, Indian Chief—everybody's playing the "do-it-yourself" game these days.

But not even the most talented amateur can do it himself when it comes to insurance.

Because insurance is a field for "professionals only." That's always been the heart of THE HOME's philosophy. And our new ad restates it in practical, down-to-earth terms—in language which has a special meaning for 20,000,000 families who make up the booming "do-it-yourself" market.

The new HOME booklet can be a real help to these hobby-happy homeowners. It's a unique goodwill gatherer, too. And a wonderful opportunity to give sound, professional advice on insurance matters in a friendly atmosphere.



Get this striking 18" x 24" four-color poster from your HOME fieldman. Display it prominently in your window to identify yourself as "The Home Agent"—the man to see for a copy of the valuable new HOME booklet.



"**Tips to the Handyman-Hobbyist on HOW TO DO IT SAFELY**"  
a handy-size 48-page illustrated booklet, covers such important topics as:

- Getting the most out of power tools
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Get your supply from your HOME fieldman.

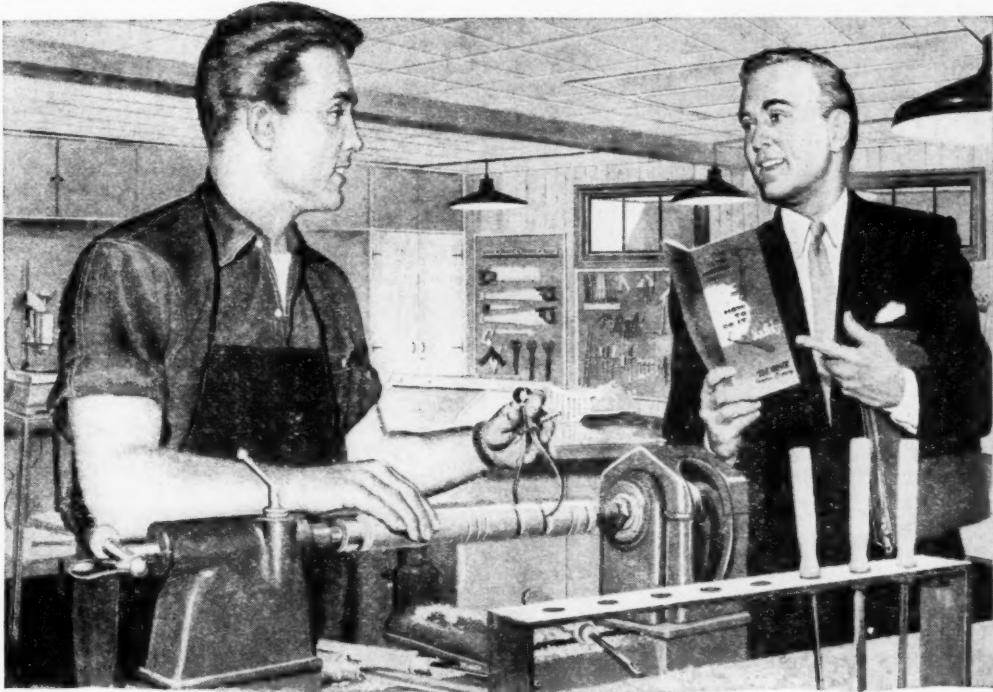
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**HOW TO DO IT...SAFELY!**

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**"Tips to the Handyman-Hobbyist on HOW TO DO IT SAFELY."** There's a right and a wrong way to do almost everything. This handy new 48-page booklet shows the *right* way, the *safe* way to work on your home or hobby. For your copy, see your local Home agent or broker, or write The Home Insurance Company, Dept. X.



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 SATURDAY EVENING POST • TOWN JOURNAL • NATION'S BUSINESS • BUSINESS WEEK

## Cincinnati Agents Hear the Reasons For and Against Multiple Line Legislation

Whether Ohio agents, as a whole, want multiple line legislation was apparently still an unanswered question following a pro and con discussion conducted by Cincinnati Underwriters Assn. last week. This issue, which has become a biennial matter, is apparently regarded by most agents as secondary to fresh attempts of Ohio insurance interests to break the state monopoly in workmen's compensation.

The Cincinnati meeting was for the announced purpose of providing agents with the facts of ML on an impartial basis. There was an obvious desire not to have the proceedings interpreted as a debate on the subject. The Ohio Assn. of Insurance Agents passed a resolution at its convention last month expressing sympathy with the desire of companies for ML but insisting that any such bill include "adequate" safeguards for the public, including strong agents' licensing standards.

The Cincinnati board is not coextensive with the state group and would

not be bound by its resolution, but no formally adopted sentiment was forthcoming from the meeting, a source of apparent disappointment to some agents' licensing standards.

Speaking on behalf of ML, L. A. Hellming, president of the local board and an officer of A. W. Shell & Co., a large Cincinnati agency, said agents, companies and the public will benefit from ML. Agents will be able to make full use of package policies, with consequent reductions in acquisition and overhead costs of as much as 66 2/3%, Mr. Hellming estimates.

He demonstrated the sales possibilities which he feels could follow ML enactment by citing a report of an Indianapolis agent who had commissions on homeowners policies alone of more than \$800, in a period of 11 weeks. More than half of these were sold to customers already on the books. The commissions on renewals of the individual lines written for these same

accounts would have amounted to slightly over \$200.

From the company viewpoint, Mr. Hellming said, the potential savings inherent in ML represent an effective weapon in the war with direct writers. Specifically, lower operating costs would enable agency system companies to reduce the spread between their rates and those of the competition. The spread should never be eliminated entirely, he said, but it should be cut to reasonable size.

Mr. Hellming pointed out that Ohio companies are in an unfair competitive situation without ML. Out-of-state agents cannot be offered the same facilities as those available to them through companies domiciled elsewhere.

Nothing about ML rules out the sale of individual contracts, so insured who want to buy coverage as they presently are can continue to do so. With ML, many insured can take advantage of package policy savings.

Mr. Hellming said he understands the comprehensive dwelling policy of Interbureau Insurance Advisory Group is now a pending filing with the Ohio insurance department. Unfortunately, he said, neither company, agent nor insured will benefit even if this filing is approved, for there will be no rate advantage. Even expense savings will be minimized, because there will be separate daily reports and company accounts for the fire and casualty coverages. Also, if the Interbureau policy is approved in Ohio without ML, the agent will be forced to take on more casualty companies, since the package will have to be written by running mates.

Taking note of the charge that companies want ML among other reasons, as a device to cut commissions, Mr. Hellming said J. F. Schwer, secretary of the Cincinnati board, wrote to agents' associations in various parts of the country to learn about this possibility. He failed to receive a single "yes" answer to the questions, "Have commissions been cut?" and "Has ML been harmful to agents in any way?"

C. H. Eichhorn, Columbus, who has been president of Ohio Assn. of Insurance Agents and recently completed his third term as NAIA state national director, presented the opposition. It is to be hoped, he said, this controversy within the industry will not be carried to the legislators. This would impair the position of the business on future issues which might be more important.

An important question, Mr. Eichhorn said, is who wants ML? One of the committees which is working for this legislation is made up of representatives of mutual companies, most or all of which do not have running mates. They are seeking an easy way to get into the fire or casualty business, he said. Are they really concerned, he asked, about the good of the public?

Illustrating possible complications in agent-company relationships, Mr. Eichhorn spoke of a fellow agent who has 14 fire and two casualty companies. If ML comes, he asked, what sort of position will this agent be in? Will his fire companies want casualty business and the casualty companies want fire business?

A danger, Mr. Eichhorn pointed out, is that captive companies which have confined their activities to auto physical damage will take advantage of ML to get into auto liability. Similar

reciprocals—which may not write casualty business in Ohio—might use ML as a door opener.

Ohio, Mr. Eichhorn said, has the finest agency qualification laws in the country. Banks, building and loans, real estate agents and similar parties are kept out of the insurance business. Change one word of these laws and there might be a change in this whole picture.

Mr. Eichhorn also expressed concern (CONTINUED ON PAGE 34)

## Joe Hunt Elected Okla. Commissioner

Joe B. Hunt rode to an easy victory in the race for insurance commissioner of Oklahoma on the Democratic ticket. He succeeds Robert L. Birdwell.

Mr. Hunt was assistant actuary for the state insurance board from 1942 until last April, when he resigned to map plans for the campaign. As manager of the board rating department, a post he held before formation of the actuarial department, he often worked under direction of the late Jess Read, then commissioner.

Before joining the board, he was an agent with Western Reserve Life of Austin, Tex. On the political scoreboard, Mr. Hunt was councilman in Seminole, Okla., and in 1952 was elected a Democratic presidential elector, winning 76 out of 77 votes.

Among recommendations issued recently by Commissioner Birdwell that might have some effect on the new commissioner's job was the suggestion that the duties of the department and board be clarified or that laws be enacted to consolidate the offices. Other suggestions made by Mr. Birdwell were:

Recodification of the insurance laws; a study of A&H to define its limits; reallocation of the premium tax collections to the advantage of the department and the board; rewriting the receivership and liquidation statutes in regard to insurance companies, if recodification is denied, and the enactment of a bill to eliminate unfair trade practices and false or misleading advertising.

## Views Wis. Driver Plan

The driver education program in Wisconsin schools, though commendable, misses fire in several respects, Thomas A. Seals, assistant educational director of Assn. of Casualty & Surety Cos., told the driver education section of Wisconsin Education Assn. meeting at Milwaukee.

He listed these gaps in the program: 74 public high schools did not offer driver education courses in the 1953-54 school year; 10% of the annual potential driver education enrollment was not trained; of the 32,284 students in the program, 29,298 received only classroom training; 80% of the schools in the program failed to meet the nationally recommended minimum standard of 36 clock hours for the classroom phase; and Wisconsin is one of 11 states that does not require successful completion by driver education teachers of both phases of the course.

More stress should be laid, he said, on development of desirable driving "attitudes", which have nothing to do with proficiency or skill.

## Shift Ahmann to Sioux Falls

Anchor Casualty has transferred Richard J. Ahmann Jr. from St. Paul to Sioux Falls where he will represent both Anchor Casualty and its affiliate Queen City in South Dakota and southwestern Minnesota.

## Don't Just Meet Competition—Make It, E. R. Hurd Urges

There is a good deal of talk about the "independent producer", and it does mean that he is in business for himself. But E. R. Hurd Jr., superintendent of sales promotion of American—Associated companies, in his talk at the convention of Maryland Assn. of Insurance Agents in Baltimore, said that no one tells the people why the independent producer is a better one.

Independence is both a blessing and a heavy responsibility, he said. It provides a powerful incentive for the producer to place his customer's welfare ahead of his own comfort, but it takes an outstanding salesman and a competent administrator to be a successful independent producer.

To survive the independent producer must be a self starter. He must be able to set his own quotas and fulfill them. He must be willing to make sales and service calls even though he would rather be doing something else. In short, he is a man or woman who, without inspiration or prodding from

either his companies or his competitors, is able to deliver the service for which the agency system has been developed. No one does his thinking or planning for him, he looks primarily to himself for encouragement and inspiration. His success or failure depends on his own efforts.

On the other hand, order takers for the direct writer have no such problem. Their quotas, territories, sales promotion activities, etc., all are established for them by the companies, Mr. Hurd said. Their manuals cover the bare essentials of technical matters. They

sell only a few basic lines of insurance. If they don't produce, they are replaced by men who will. Their only major responsibility is to call on prospects. Their only inspiration is the salesman's law of averages—make enough calls and sales are bound to result. Mr. Hurd wondered if it is not natural that they should be more concerned with a prospect's dollar than with his confidence and trust.

But there is a far more difficult kind of competition for the local independent agent, he said. Almost \$.70 of every dollar is spent for necessities. Deduct-

ing a further amount for taxes and very little is left in the pay envelope. The more people resent having to pay for necessities the more they are determined to spend the remainder for things they want, and wanting insurance just doesn't happen automatically.

A prospect must be made to want insurance before he can be convinced he needs it, Mr. Hurd declared. The race with competition, therefore, is to win the prospect's mind and not his pocketbook, to make him want in-

(CONTINUED ON PAGE 26)

## Cincinnati Agents to Discuss Ohio WC Drive

Cincinnati Underwriters Assn. will hear the campaign of Ohio Assn. of Insurance Agents for competitive workmen's compensation insurance in Ohio discussed at a luncheon meeting Dec. 1 at the Netherland Plaza.

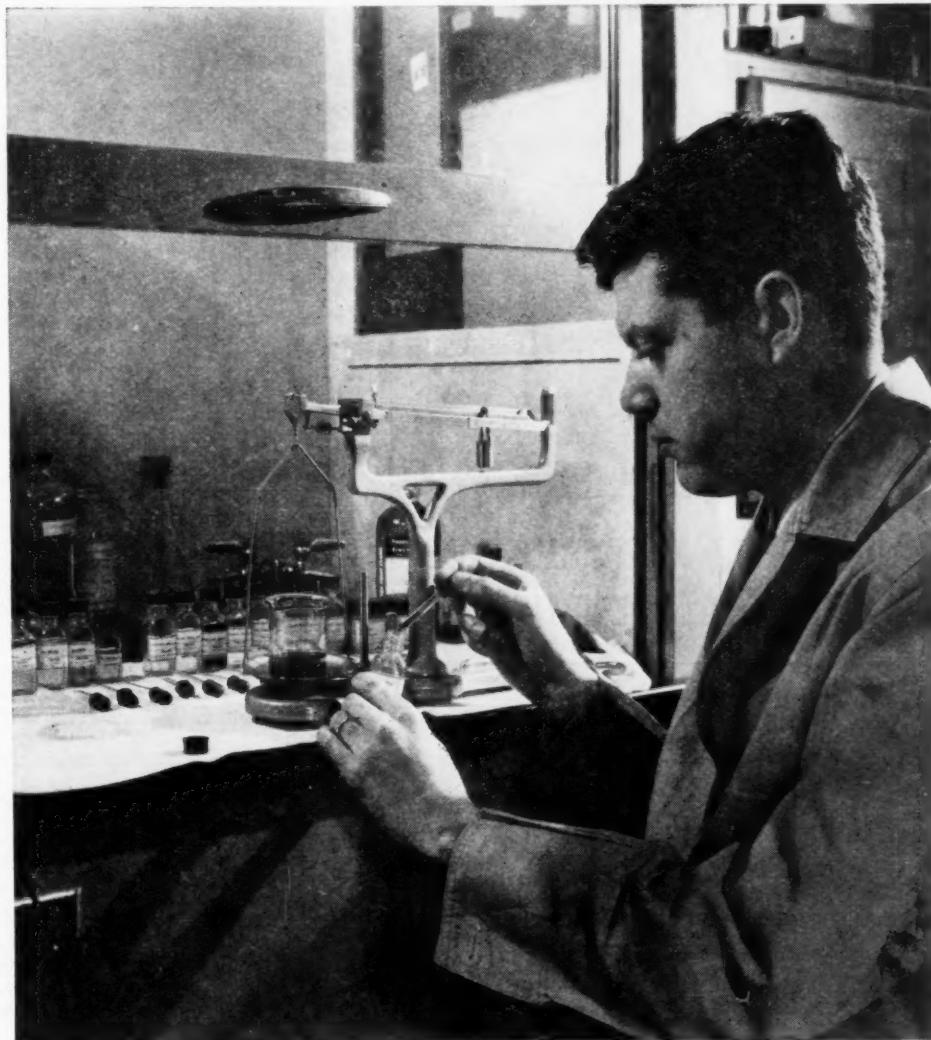
Four leaders in the fight of the Ohio association will outline the situation and answer questions. They are H. K. Dawson, Cleveland, vice-president; E. B. Berkeley, Cleveland, past president; F. L. Johnson, Columbus, trustee, and T. M. Gray, Columbus, executive secretary. The Ohio agents have been assured that a bill which would break the long-standing monopoly of the state fund and permit private insurance companies to write compensation insurance in competition with the fund will be introduced at the coming legislative session. The Cincinnati meeting will stress the benefits to employers and employees from competition and provide agents with material to help tell the story.

## Suggest Colo. Commissioner Be Given Discretionary Powers on Insurer Licenses

DENVER—A joint house-senate legislative investigating committee has recommended the insurance commissioner be given broad powers to deny companies the right to do business in Colorado for reasons other than financial instability. The legislators proposed the commissioner be allowed to consider integrity of a firm's officers and the competence and character of its personnel in ruling on insurance company's applications.

The investigating committee's recommendations grew out of examination of the collapse last spring of the Pioneer Mutual Compensation of New Mexico.

Members will recommend the next legislature pass an entire new law governing mutual insurers. The proposed law would require all mutuals to print on their policies, in large type, the fact that policyholders can be subjected to an assessment if the company encounters financial difficulties. A fight over a \$2 million assessment of Pioneer Mutual is still pending in the courts.



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**Fireman's Fund  
Names Four in  
Cal., Boston Changes**

Philip F. Kingsley, manager of fire operations in the southern California department of Fireman's Fund group, will soon be transferred to the Pacific department in San Francisco where he will be associated with assistant vice-president L. S. Gregory in the supervision of production and underwriting of fire and allied line business. Mr. Kingsley's transfer will take place in February, 1955, in anticipation of Mr. Gregory's retirement later in that year.

Clemens A. Fortman, superintendent of agencies in the eastern department in Boston, will succeed Mr. Kingsley as fire manager in Los Angeles. Mr. Fortman will spend several weeks at the home office, preliminary to taking up his assignment in Los Angeles. R. E. Hoefer will continue as assistant manager of fire operations in the southern California department. Leonard T. Backus is group manager of the department.

Kenneth J. Heindel, superintendent of agencies in Boston, will assume additional responsibilities by taking over Mr. Fortman's former duties.

Mr. Kingsley joined Fireman's Fund as an underwriter in 1925 after completing the fire prevention and engineering course at Illinois Tech. In 1930 he became special agent for the group in New Mexico. He was moved to Colorado in 1940 as state agent, and later he was given supervision of fire underwriting in Utah and southern Idaho. In 1946, he was assigned to the Pacific department in San Francisco as superintendent of the service and improved risk department. In 1948 he became fire agency superintendent in the Pacific department. In 1950 he was named manager of the fire department in southern California and Arizona with headquarters in Los Angeles.

Mr. Fortman started his insurance career with the Middle Department Rating Assn. at Philadelphia. He was with North America for approximately 15 years until 1939, when he was appointed special agent for Fireman's Fund group in eastern Pennsylvania. He was later assigned to New Jersey, and in 1950 he was transferred to Boston as superintendent of production. In 1952 he was appointed superintendent of agencies.

Mr. Heindel joined Fireman's Fund in 1944 as special agent in Connecticut, after 16 years in underwriting and production work with other companies. In 1949, he was transferred to Boston where he has been in charge of production and underwriting of an important segment of fire and allied line writings.

Mr. Hoefer joined Fireman's Fund in 1951 after several years with other companies.

**Plan More Insurance, Lower Cost**

More insurance protection for less cost is the result of a new insurance program of Scituate, Mass., developed by the town's insurance board. The new schedule will provide \$2,830,000 coverage on city buildings and contents for fire and extended coverage. Rate reductions will bring the fire rate down to 21 cents, from the previous 28 cents, and the EC rate is cut to 3.1 cents from 7 cents. The annual saving will be about \$3,084.



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## U.S. Takes Lead on WC, Department of Labor Working Up "Ideal" WC Act for States

All states were invited to join the Department of Labor in creating a model workmen's compensation act by Under Secretary of Labor Larson in his talk at the annual conference of Southern Assn. of Workmen's Compensation Administrators at Orlando, Fla. Secretary of Labor Mitchell asked him to study what the department could do to bring about improvements in WC.

A department committee was formed which has produced a rough draft of such an act. He plans to distribute it to members of the association and other state administrators to get additions, changes and criticisms.

The department would like to serve as the pivotal point for the states. In all the areas where the primary responsibility is with the states, the department conceives its role to be one of service, a central clearing house for suggestions, exchange of ideas, research and drafting assistance.

Ultimately, he said, the department hopes to reflect in the act the best thought and experience of the people working in the field.

Mr. Larson pointed out that this is the first full-scale joint attempt to create a model WC act since the original attempt was made in Chicago in 1910. The most immediate purpose to be served by such an act would be to call to the attention of each state the best statutory provisions that have been worked out by any state.

The advantages of not having uniformity among the acts, has been the freedom of every state to experiment and develop statutory solutions to the problems that its particular experience has thrown in its path. He cautioned that the value of this experimentation would be wasted if, when a good working solution is found, it were adopted only by one state and not by all the others.

New York encountered and dealt with the problem of dependency payments to aliens in certain countries where it was reasonably certain that the intended recipient would not really get the payment, he said. The state made provision for withholding such payments pending a change in conditions. Clearly this would be a valuable feature of any act in these times.

Minnesota has made a start on the looming problem of coordinating social security payments and WC, by providing that the former can be credited against the latter after \$18,000 has been paid for permanent total disability. New York has made some progress on the related field of duplication of WC and noncontributory pension schemes of various political subdivisions. These problems exist in every state and will continue to grow in gravity, he pointed out.

Listing several instances in which one state has reached a statutory solution that others could profit by, Mr. Larson mentioned the Wisconsin provision specifically covering mental injuries, the California provision covering damages to artificial members, the Oklahoma provision that an employer is estopped to deny coverage of an employee he has insured, the Maine statute permitting wages in concurrent unrelated occupations to be accumulated in figuring average wages, adjustment of earnings of young people to reflect probable future earning capacity as in Wisconsin and Massachusetts, the disposition of unexpended balances of

permanent partial awards to dependents in case of death as in New York and Indiana.

The Ohio method of protecting the employee of the uninsured employer by having the state pay the employee and the Colorado handling of the same matter by increasing compensation 50% against the uninsured employer, or the California treatment, which is

to provide a common law action in addition to compensation in such cases.

Other provisions he suggested were the Florida rule on legal fees which are added to the amount of the award with other necessary expenses, the New York rule that parties can waive their admiralty and federal rights in favor of state compensation, the statutes under which fraud and mistake in issuing a policy to the employer are no defense against the employee as in Georgia, North and South Carolina and other states. Also, the provision

that the employer rather than the insurer is liable for penalties for employer misconduct as in Florida, the Wisconsin provision covering disabilities occurring after termination of employment, the New York special fund for reopened cases, the presumption that the claim is within the act when the employee is killed or unable to testify as in Massachusetts, New York and under the longshoremen's act.

Also, the Wisconsin clause specifically covering going to work on the

(CONTINUED ON PAGE 28)



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## North America Sets Up European Head Office, Madrid Service Unit

North America companies have opened a head office for Europe in The Hague, Netherlands, which will supervise the European service offices in London, Frankfort and Madrid and serve as a processing office for Europe. Robert L. St. John, manager for Europe, will have headquarters at The Hague, where the companies have bought a building on the Tobias Asserlaan, next to the residence of the American ambassador, and are preparing it for early 1955 occupancy. Temporary location is at Prins Hendrikplein 14, The Hague.

All loss matters are being handled in The Hague by Julian Story, manager of the claims and loss department for Europe. Activities of the companies' agents throughout Europe and North Africa also will be handled there. Reinsurance facilities, which will be provided on the continent by the European offices, will be supervised and coordinated from the Hague. The Madrid service office, man-

aged by Juan A. de Galainena, is not as yet fully established. It is functioning as a market place for treaty reinsurance. J. R. L. Stanton is manager of the London service office, which supervises business in the United Kingdom, and Otto Schoeppler is manager of the Frankfort office, which provides facilities for American forces in western Germany and Austria. The latter office will expand service to the German domestic market.

North America is said to be the only American insurance company which operates in Europe for its own account. Purpose of expansion on the continent is to further insurance service to European nations and to American concerns with European branches.

Mr. St. John has been on the continent for 11 years, serving with the companies' offices at Frankfort and London. The London office was established in 1930 and the Frankfort office in 1947.

Fire destroyed the offices of McCur-ray Co., New Hazelwell, Tenn., agency when the Giles building, in which it was housed, burned.

## Western Loss Men Elect A. H. Nelson

Western Loss Assn. at its annual meeting elected A. H. Nelson, American, as its new president to succeed Leonard E. Zell, Hanover, who was elected to the executive committee.

D. S. Lightfoot, Springfield F. & M., was named vice-president, and L. H. Bowers, Fireman's Fund, is secretary-treasurer.

Named to the executive committee along with Mr. Zell were A. C. Schuck, Fire Association; E. S. Purcell, Hartford, and Roger Kellogg.

## III. R. B. Jones Names T. R. Pye at Atlanta

Illinois R. B. Jones, general agents, has named T. Robert Pye, Jr. to the Atlanta staff where he will be with Manager W. E. Lersch. Since 1940 Mr. Pye has been with Hartford Accident in various underwriting, rating, statistical and production capacities in the home office until 1946 when he went to Atlanta for Hartford. A graduate of Trinity college, he is also a graduate of the Hartford Training Center, specializing in casualty and bonding principles. He is an army veteran.



T. Robert Pye, Jr.

## Examiners Hear UA Man

The conflict between uniform accounting rules and traditional rating practices was outlined to examiners of the New York insurance department at a session of their final year of in-service training by James J. Higgins, chief of the UA bureau of the department.

Although insurance expenses are too complex to be neatly defined by functional groups and lines of business with absolute precision, the establishment of a practicable UA system tends to clarify the boundaries of the various expense categories, Mr. Higgins said. Judgment and arbitrary allocations are thereby minimized.

## Zucker Speaks on WC

Dr. William Zucker, director of studies of Commerce & Industry Assn. of New York, will speak on the problems involved in workmen's compensation and what employers can do to help develop a better WC program at the meeting, Nov. 18, of New York chapter of National Insurance Buyers Assn. in New York City.

## Hill to Pa. for Phoenix

Phoenix of Hartford group of insurance companies has appointed Howard N. Hill to special agent in casualty and bonding in the Pittsburgh field office. He will handle the group's casualty and bonding business in western Pennsylvania and will be associated with C. F. Kappert, executive state agent at 316 Fourth avenue, Pittsburgh.

## Pacific Northwest CPCU Elects

Sterling Stapp of D. K. MacDonald & Co. was elected president of the Pacific Northwest chapter of CPCU at a meeting at Seattle. He succeeds LeRoy Hunter.

Other officers are Dwight B. Aden, Spokane agent, vice-president; Gladys C. Main, Frank Burns, Inc., secretary, and Sam H. Melrose Jr., American Surety, treasurer.

Nine persons were awarded the CPCU designation by Dr. S. S. Huebner at ceremonies preceding the meeting.

## AIU Appoints Coker V.P. for Casualty

Murray A. Coker, formerly manager of American International Underwriters overseas, has been appointed vice-president of the casualty department of AIU. He joined AIU in 1948 after 18 years with Liberty Mutual in Boston and New York and his first foreign assignment was in Caracas.

In 1949 he was named casualty manager for International Underwriters of Latin America and Insular Underwriters, two AIU companies in Havana, and in 1951 became vice-president and director of these companies. In his most recent post he maintained headquarters in Bermuda.

## Joseph Sorge, Caledonian, Heads Ex-N.J. Field Men

Officers elected by Ex-New Jersey Field Men's Assn. at its annual meeting in New York are Joseph Sorge, assistant secretary Caledonian, president; S. Gage Lewis, assistant general manager Fire Insurance Rating Org. of New Jersey, vice-president; F. W. Mallalieu Jr., secretary Great American, secretary, and Carl F. Fry, manager metropolitan fire department of the Boston, treasurer.

M. F. Wallace, secretary of Commercial Union and chairman of Ex-New York Field Men's Society, brought greetings from his group.

These former New Jersey field men were elected members: Howard D. Meyer, agency secretary Royal-Liverpool; Walter D. Sheldon, agency superintendent, and E. S. Brokaw, general adjuster, America Fore; E. C. Burke and Robert S. Griswell, Automobile; Edward M. Barrett, Loyalty group; and John N. Cosgrove, secretary, and Frank W. Cornish, assistant secretary, American of Newark. This brings membership in the association to 63.

## Allstate Has New L. I. Office

Allstate has opened a district service office in Bay Shore, L. I., N. Y., to handle Suffolk county. The office, with 15 employees, will be managed by Charles Harken.

## B. R. O'Brien to Home Office

B. R. O'Brien, who has been division manager in the New England field for Associated Reciprocal Exchanges, has been transferred to the home office at Port Chester, N. Y. He will be an account executive in charge of New England customers.

A. S. Goff replaces Mr. O'Brien in New England.

## Arata Joins Mass. Bonding

Winfield H. Arata has been named engineer in the contract bond department of Massachusetts Bonding at San Francisco. For nine years he was manager of the northern California chapter of Associated General Contractors of America.

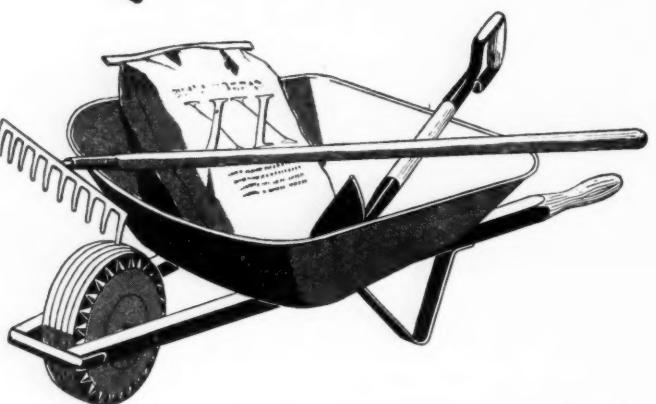
## Culver Heads Industrial Mutual

Industrial Mutual of Boston has elected Robert D. Culver president to succeed Edward H. Williams, who has been named chairman.

## Mass. Brokers' License Plan

Commissioner Humphreys of Massachusetts has recommended a common renewal date for all broker's licenses in an effort to prevent lapsing. With Oct. 31 as the suggested expiration date, applicants getting licenses between now and then would be charged a pro rata portion of the annual \$25 fee. Under a new punch-card system, cards punched at the time of issue would automatically print the renewals. This would bring issuance of brokers' licenses into line with the method used for Massachusetts agents, whose licenses all expire June 30.

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## N. Y. Meeting Initiates Int'l Aviation Insurers to Western Hemisphere

NEW YORK—The first general congress of International Union of Aviation Insurers to be held in the U. S. was attended by 41 delegates and observers from Belgium, Canada, Denmark, England, Finland, France, Germany, Holland, Italy, Norway, Spain, Sweden, Switzerland and the U. S.

U. S. Aviation Underwriters, the only American member of the union, was host to the foreign contingent. A. J. Smith, president of USAU, planned the week's activities, which were handled in detail by Frank X. Mara of USAU, acting as coordinator. Three new organizations were admitted to membership: Marine & Fire Insurance Assn. of Japan, L'ethniki Ins. Co. of Athens, and Companhia de Seguros Imperio de Lisbon.

Diego Hagmann, who had acted as part-time general secretary of the union during 1954 following his retirement as sub-manager of Zurich, could no longer act as general secretary in view of his recent appointment as manager and director of Helvetia of Zurich. He had served the union as president 1951-53. On urging of Willie deVlaming of Dutch Aviation Pool, members adopted a resolution calling for engaging, as soon as possible, a full-time general secretary and staff, to be located in London.

A committee consisting of Per M. Hansson of Christiania General of Norway, Capt. A. G. Lamplugh of British Aviation Ins. Co., and Mr. deVlaming was appointed to name a qualified man for the post. It was pointed out by some that in time the secretariat might be useful in encouraging exchange of reinsurance among members.

"Following the leader" on renewal rating was discussed, as were the questions of providing comprehensive hull and liability coverage at one overall rate on either hull values or miles flown, and of writing long-term policies for air carriers. Opinions varied widely.

The proposed revision of the limits of liability under the Warsaw convention again came up for discussion as well as the new aerial collision convention proposed by the legal committee of International Civil Aviation Org. The aviation insurers agreed that the latter should be opposed by all concerned as a completely unnecessary piece of legislation.

Social activities included a cocktail party and a formal banquet, at which Dr. Edward Warner of ICAO was the principal speaker, sight-seeing tours to United Nations and Radio City for the ladies, a look at Cinerama, and a trip to the Pocono mountains.

The election of officers was reported in last week's issue.

### Olafson Correction

Victor A. Snyder, general adjuster for Olafson Co., Minneapolis, was erroneously identified in the Oct. 28 issue as supervisor of Commercial Union group's New England hurricane office. A main office adjuster for Olafson, Mr. Snyder is supervising its Warwick, R. I., hurricane of-

fice, established after hurricane Carol struck the New England area Aug. 31.

Other Olafson men at Warwick are Assistant Manager R. E. Hansen, who is regularly manager at Rochester, Minn., and five staff adjusters from other Minnesota offices.

Proper reference was made to Commercial Union group in the Oct. 28 story in reporting the appointment by the Olafson Co. of Tage Hjorth as staff adjuster. Mr. Hjorth formerly was state agent with the group.



Albert J. Smith

## Pa. OKs Chubb & Son Apartment Package

Chubb & Son's tenants insurance policy (TIP) has been approved in Pennsylvania for immediate use. Development of the policy by the managers of Federal, Sea and Vigilant and its approval in New York were reported in the Sept. 30 issue.

Fire, extended coverage and additional EC, and theft and comprehensive personal liability are included in the package. It offers a 10% off-premises coverage, insurance against loss or damage to personal baggage and contents when away from the premises and protection of improvements and betterments. There is a \$20 all physical loss deductible, which applies to losses other than those caused by fire or lightning. The CPL limits of \$10,000 with \$250 medical may be increased to \$300,000 and \$1,000, respectively.

R. B. Masters, U. S. manager of New Zealand, talked on "Business Interruption Trends" at the October meeting of Oakland Assn. of Insurance Agents.

## Hawkeye-Security to Issue 6,000 More Shares

Stockholders of Hawkeye-Security have approved the issuance of an additional 6,000 shares of the company's \$50 preferred stock. Upon completion of this additional financing, outstanding capital stock will be \$1,390,055.

Increased writings are responsible for the additional stock being offered at this time. For the 1952 calendar year, net premiums were \$5,188,244. In 1953, they were \$5,676,719 and for the first seven months of 1954, they total \$3,782,571.

## North British Marks Its 145th Anniversary

North British, organized in 1809, this year is celebrating its 145th anniversary. In 1866 it began operating in the U. S., where last year it had collective assets of \$91,784,000, net premium writings of \$35,761,000 and surplus of \$8,686,000.

The company operates all over the world. It is licensed in the U. S. in all states, District of Columbia, Alaska and Hawaii. W. L. Nolen is U. S. manager.

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HOME OFFICE KANSAS CITY, MISSOURI

## California A&H Men Vowed Cooperation of Medical Assn.

California A&H companies were promised more cooperation from the medical profession by Rollen Waterson, health insurance consultant for California Medical Assn., at the California Assn. of A&H Insurance Managers an-

nual meeting, Oct. 29 at San Francisco. Officers of the A&H Association, elected at the meeting, are Charles I. Wise, Continental Casualty, president; H. B. Murphy, Southern California Automobile Club, vice-president, and Kenneth Stoakes, Loyal Protective Life, secretary-treasurer, all from Los Angeles.

Aims of the California Medical Assn., as outlined by Mr. Waterson, include modifications in fee schedules according to local conditions; improved

doctor-patient relations, and public relations to advance the medical profession and private pre-paid insurance coverage. Mr. Waterson warned that pre-paid insurance is not adequately serving the public in certain respects, and is losing customers to the Kaiser Foundation—a closed panel system.

The medical association also is working to eliminate duplicated and unnecessary charges, he said, explaining that committees are maintained in each county to handle complaints and to

force refunds on over-charges. He urged more uniformity of claim forms to reduce paper-work.

Mr. Waterson explained that present comprehensive health insurance policies, with no co-insurance or deductibles, actually tempt doctors and hospitals to include unnecessary services. The insurance companies, he said, should control this situation in their policies.

George W. Kemper, manager of the A&H department of Fireman's Fund group offered observations on major medical.

Mr. Kemper classified the problems of medical expenses in three general categories:

"1. Normal and above normal medical care for those who do not have the money to pay for it. 2. Normal medical care for those who do have the money to pay for it. 3. Above normal medical expenses for those who have the money to pay for it.

"One of the difficulties faced in developing sound insurance programs is the lack of recognition of some standard for determining normal medical expense cost," he said.

To have a truly catastrophic coverage, Mr. Kemper continued, insured must either self-insure his primary medical costs or purchase insurance to cover them. "In my opinion," he said, "the minimum deductible should not be less than \$500. That this premise is sound is supported by the fact that most companies which initially wrote lower deductibles had to discontinue them."

In explaining the difficulty of fitting older people into the health insurance pattern, he said claim costs for 35 year old men are half of those for 50 year olds and a tenth of men 65. Although women have about 6 more years of life than males, they are more likely to spend time in a hospital or suffer from neurotic ailments.

## Fifty Years of Growing

It was 50 years ago that Professor Rontgen was rounding out his experiments with a mysterious ray which he had discovered earlier.

Today—thanks to Professor Rontgen—the world has the X-Ray—so important to medicine and research.

It was 50 years ago that the National Casualty Company began. And as the X-Ray is accepted by modern medicine, so our coverages are accepted as the best in Accident & Health, Hospitalization and Surgical protection for the Individual, Family, Franchise or True Group case.

This year we are celebrating our Golden Anniversary and offering highly attractive agency appointments in select territories. It's to your advantage to investigate National's portfolio of comprehensive coverages.

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### Cinemascope Training Film Developed by Aetna

The first experimental 16mm Cinemascope-type motion picture designed for behind-the-wheel driver training was demonstrated to educators and safety leaders at the annual National Safety Congress in Chicago.

Providing a panoramic picture similar to the view through the windshield of a real car, the wide-screen movies

were produced especially for use with the drivetrainer, a device for giving students driving lessons in small model cars in the classroom.

The film represents the first effort by Aetna Casualty to adapt wide-screen motion pictures for use with its behind-the-wheel training device.

Carl Tyler, agent at Gary, Ind., is the new president of the Gary Kiwanis Club.

Physicians, dentists, musicians, artists, architects, golf pros and other skilled professionals must have the Hand Disability accident coverage which you can write through Illinois R. B. Jones Inc. A direct mailing campaign to this effect can serve as an entree to clients.

The rate for this essential coverage is \$5 per thousand (minimum \$2,500). An example of the coverage for \$10,000 principal sum, premium \$50, is as follows:

	Loss of Use (After 21 days)
Both Hands	\$10,000
Right Hand	\$ 6,000
Left Hand	\$ 5,000

	Loss of Use (After 21 days)
\$120 per Week	Both Hands
\$ 80 per Week	Right Hand
\$ 60 per Week	Left Hand

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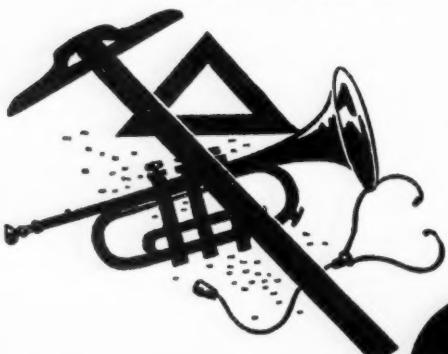
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## CPCU NEWS

### Plan Impressive Card for Detroit CPCU Meet

Michigan CPCU has scheduled an all-industry "insurance conference" for Nov. 16 at Detroit. In the morning there will be a talk by Roy C. McCullough, manager of Multiple Peril Insurance Rating Organization, and at the luncheon Commissioner Navarre will give a salute to the 1954 designees. Luncheon speaker will be L. J. Carey, general counsel of Michigan Mutual Liability, whose subject will be "Unsatisfied Judgment Coverage—Is It the Answer?"

Frank J. Gossinger will preside at a panel in the afternoon conducted by Insurance Buyers Assn. of Detroit, which will cover what the buyers expect from the agents and companies. Participants will be Roy L. Jacobus, Ford Motor Co.; James M. Cooper, American Motors; P. D. French, Detroit Edison; E. D. Damon, Parke, Davis & Co., and N. H. Siegel, Detroit Steel Corp.

### Conn. CPCUs Review EMIPO Developments

Recent developments in multiple peril policies were reviewed by Connecticut CPCU chapter at its October meeting. Discussion leaders were H. J. Doolittle and Austin Carey, both of Aetna Fire, and W. C. Starkweather of Atlantic Mutual.

Lewis M. Manchester, Aetna Casualty, Hartford, reported on the national annual meeting in Chicago.

## Dillon Named to H.O. Post of Fireman's Fund

William Dillon has been named an agency superintendent in the Pacific department headquarters of Fireman's Fund group at San Francisco and will leave his special agent's post in Salt Lake City to begin his new job about Nov. 15. Mr. Dillon will be replaced in Salt Lake City by John Olson, who is being transferred from a similar post in Helena, Mont.

Mr. Dillon succeeds Glen Lett, who recently was transferred to Seattle as manager of the Pacific Northwest fire department. His territory will include Utah, southern Idaho, Montana and Oregon. Mr. Dillon started with Fireman's Fund in 1940 at San Francisco. He joined the fire underwriting department in 1945 and in 1946 was transferred to Salt Lake City.

Mr. Olson, who has been with Fireman's Fund since 1943, will be associated with James Kirschbaum, state agent, in charge of the Salt Lake City office. After seven years in various positions at San Francisco he was sent to Sacramento in 1950 as a field trainee. He was transferred to Helena in 1951 as a special agent.

## National of Hartford Sends 2 to Home Office

William T. Davis and Beverly C. Young have been named agency superintendents in the home office by National of Hartford group.

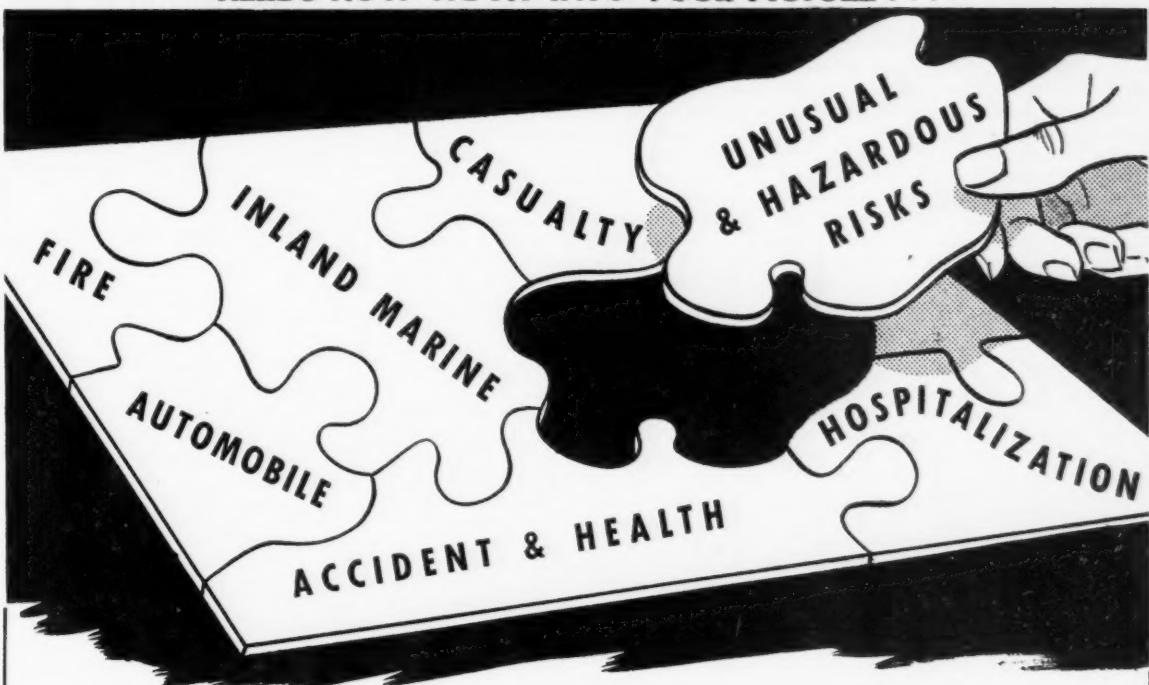
Mr. Davis has been Texas state agent of the group. He has also been an adjuster in Texas. Mr. Young is transferring from Georgia where he has been state agent. His experience also includes field work in North and South Carolina and Texas.

Both Mr. Davis and Mr. Young will assist in the production and general supervision of multiple line business in the south and southwest.

## Opens Adjustment Office

Henry H. Troutman of Boston, Ky., who has been with Western Adjustment for several years, has been retired and has opened his own adjustment office in Boston. Before going with Western, Mr. Troutman had been an adjuster for John H. Harrison adjustment office, Royal-Liverpool and Home.

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- MALPRACTICE INSURANCE—ALL CLASSES
- PRIMARY & EXCESS PUBLIC LIABILITY & PROPERTY DAMAGE
- PERSONAL ACCIDENT INSURANCES—EXECUTIVES' TRAVEL, OVER AGE - WORLD WIDE
- WORKMEN'S COMPENSATION—EXCESS CATASTROPHE OR EXCESS AGGREGATE
- REINSURANCES ON INDIVIDUAL RISKS AS WELL AS TREATY BASIS
- AUTOMOBILE MATERIAL DAMAGE
- OPEN STOCK BURGLARY, ROBBERY, ETC.
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## Congress Committee Changes Coming

WASHINGTON—Capture by Democrats of control of Congress means changes in committee chairmanships of interest to insurance.

Sen. Kilgore of West Virginia will head the judiciary committee, which has jurisdiction over insurance with relation to the anti-trust laws and federal regulation.

Sen. Byrd of Virginia will succeed Millikin of Colorado as head of the finance committee, where taxation and veterans' insurance legislation are dealt with.

Magnuson of Washington is due to be chairman of the interstate commerce committee, which has to do with legislation affecting commerce, including marine insurance and SEC.

The labor and public welfare committee will be presided over by Hill of Alabama. This committee takes care of A&H insurance legislation generally. The postoffice and civil service committee with jurisdiction over government employees group A&H will be headed by Johnston of South Carolina.

O'Mahoney of Wyoming is back after a lapse of two years. He sparked the insurance investigation by the Senate judiciary committee after the Southeastern Underwriters Assn. decision, and he suggested federal regulatory legislation.

In the House committees and their prospective chairmen are:

Ways and means (taxation), Cooper of Tennessee; interstate and foreign commerce (health reinsurance), Priest of Tennessee; veterans affairs, Teague of Texas; postoffice and civil service, Murray of Tennessee; banking and currency, Spence of Kentucky; mer-

chant marine and fisheries (marine insurance), Bonner of North Carolina; and judiciary, Celler of New York.

The District of Columbia committees of both houses, which handle D. C. insurance legislation will be headed by Senator Neely of West Virginia, and Rep. McMillan of South Carolina.

The Senate labor and welfare group and the House committee on education and labor handle legislation dealing with welfare and pension funds. Each of them has had a subcommittee investigating problems related thereto. Rep. Barden of North Carolina is scheduled to head the latter committee.

### A&H Club of N. Y. Annual

Accident & Health Club of New York will hear a discussion of the administration's health reinsurance bill by Roswell B. Perkins, assistant secretary of Department of Health, Education & Welfare, at the annual meeting Nov. 15.

### Named in Tax Liens

Stanley Gordon, president and treasurer of Schneller Agencies, Inc., Cincinnati, executor of the estate of the late Louise A. Schneller, was named in two tax liens, each for \$47,834, filed by the director of internal revenue, alleging income taxes due in 1954. He previously was named in two identical liens by the government seeking \$370,187. One of the liens was against Mrs. Schneller's estate and Mr. Gordon as executor and the other was against Mr. Gordon as transferee of the assets of the estate. The late Mr. Schneller was Hamilton county Republican leader.

The Hopkins agency of Brunswick, Ga., will merge with Way, Peters & Harris, also of Brunswick. Hunter Hopkins will be associated with Way, Peters & Harris at the agency's office at 1516 Union street.

## Survey Shows Sharp Fringe Benefit Rise

At the annual conference in New York City of Council of Employe Benefit Plans, Fred D. Lindsey, statistician of U. S. Chamber of Commerce, outlined the results of the chamber survey of 1953 fringe benefits of 940 companies.

The employers' paid 1.3% of payroll for old age and survivors insurance, somewhat less than the 1.5% legal rate since many of the 940 companies reported average earnings higher than the \$3,600 taxed. Workmen's compensation payments were .7% and railroad retirement, railroad unemployment and state cash sickness insurance taxes totaled .1%. This is rather low, as railroads and other transportation industries were not covered in the survey.

Pensions were 3.8% of payrolls, or \$142.81 per year per employee, and life, A&H and other insurance payments were 1.8% of payrolls, or \$67.73 per year per employee. These figures are perhaps twice the national average, as a disproportionately high percentage of the companies surveyed have pension and insurance plans. Total fringe benefits for employees of the 940 companies were 19.2% of payroll, or \$720 per employee per year.

Insurance companies were second only to banks in percentage and amount of fringe benefits given by non-manufacturing industries. Benefits given by insurance companies were 22.8% of payrolls, or \$706 per employee per year.

In the past six years, pensions, life insurance, A&H insurance and other agreed-upon benefits have increased from 4.4% of payrolls in 1947, or \$122.14 to 6.6% of payrolls in 1953 or \$293.37 (employer's share only).

In addition to reporting on the 1953 survey of 940 companies, Mr. Lindsey also presented estimates of fringe benefits for the entire U. S. Pensions, life and A&H insurance are estimated to be 3% of wages and salaries, or \$6 billion. Total fringe benefits in 1953 for all U. S. companies are estimated to be \$32 billion.

In 1929, pensions, A&H and other agreed-upon benefits were .4% of wages and salaries, or \$200 million. In 1953 they were 3.3%, or \$6.5 billion. In 1980 they may be 7.5%, or \$24 billion.

Fringe benefits present a danger to U. S. business in that their cost is relatively inflexible, Mr. Lindsey said. Before inaugurating a new fringe benefit program, the possible ramifications and growth should be carefully considered. While these benefits will continue to increase, every effort should be made to keep the growth orderly.

### AEC Fires, Mishaps Down

A healthy decline in fires and accidents has been reported by atomic energy commission. In declaring that its accident prevention program continues to compare favorably with similar programs in private industry, the AEC notes a drop from 2.9 injuries per million man hours in December, 1953, to 2.6 in the January-April period of 1954.

A total of 940 fires in industrial, construction and research facilities in 1953 caused a loss of \$148,142, compared with \$449,107 in 1952. The rate of annual fire loss during 1953 was roughly one-eighth the loss rate of insurance companies handling "preferred" industrial fire risks, the report says. The loss rate during the

first part of 1954 remains comparatively low.

AEC fire department expenditures were reduced by 25% during 1953. Los Alamos and Oak Ridge had the lowest and second lowest fire losses in their respective histories during that year. However, a heavy loss from one fire brought Richland, Wash., and the record for all AEC-operated communities above the comparable national average for municipalities.

## NFWC Agricultural Unit Chicago Program Set

A strong program has been arranged for the annual meeting of the agricultural committee of National Fire Waste Council, to be held Nov. 16 at the La Salle hotel, Chicago. Dennis C. Smith, assistant farm manager of Home at Chicago, heads the committee.

Speakers and their topics are Lloyd Partain, Curtis Publishing Co., "What's Ahead for the Farmer?"; Harold Hildreth, National Safety Council, "Farm Fire Safety"; N. J. Wardie, Iowa State college, "The Iowa Story"; Richard Steinmetz, Mutual Investigation Bureau, "Rural Arson Fires," and Harry Cooper, Indiana Farmers Mutual, secretary of National Assn. of Mutual Insurance Companies, "Where Do We Go From Here?"

## AAU, Lloyds on Line in Air Deaths Settled for \$240,000

Settlements totaling \$240,000 have been made in Cleveland in 30 death claims arising from the crash in Wisconsin Aug. 29, 1948, of a Northwest Airlines Martin 2-0-2, on which Associated Aviation Underwriters had workmen's compensation and London Lloyds had passenger liability.

The cases were settled under Wisconsin's wrong death statute, which limits payments to \$15,000. The awards in 14 cases before Judge Freed in federal district court ranged from \$4,000 to \$12,500. These settlements automatically took care of 16 other cases in Cuyahoga common pleas court.

The trial took place in Cleveland because both defendants, Northwest Airlines and the Glenn L. Martin Co., could be sued there. Northwest lost a \$750,000 suit against Martin last year, when it sought to blame the crash on defects in the plane. This case now is in the U.S. court of appeals at Cincinnati.

### Saval Group's Results

American Universal and its subsidiary, Newfoundland American, showed a net profit after taxes of \$99,745 for the nine months ended Sept. 30, after absorbing known and estimated losses from Hurricanes Carol, Edna and Hazel. American had net claims after reinsurance of only \$54,509 from Carol. As of Oct. 21, claims received from Carol aggregated \$550,697, with reinsurance of \$496,188.

### Flynn Associates to Move to L. I.

F. J. Flynn Associates, New York City insurance brokers specializing in risk analysis and survey work for small and medium-sized industrial accounts, will move into its new one-story building in Garden City, L. I., early in December.

John J. Evers, Jr., who has just become executive vice-president of New York State Automobile Dealers Assn., has been directing the association's group workmen's compensation plan since 1949 and the entire group insurance program of the association since 1950. He is a former special agent of Aetna Casualty out of the Albany office.

Bluefield, W. Va., was inspected by field men and agents. R. E. Verner, manager of the fire prevention department of Western Actuarial Bureau, addressed the banquet in the evening.

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## Name New A&H Bureau Committee Chairmen

Chairmen of the standing committees and subcommittees have been named by Alfred W. Perkins, vice-president of Union Mutual Life and bureau chairman. They are:

General committees—governing committee, Mr. Perkins; advisory committee on economics of financing medical care, Dr. E. S. Williams of Life of Virginia. Agency, M. J. Denda of Union Mutual Life. 1955 annual meeting, R. S. Schoonmaker Jr. of Berkshire Life. Claims, D. N. Morrison of Aetna Life. Finance, W. L. Bates of Fidelity & Casualty. Auditing, J. F. Lydon of Ocean Accident Law, Berkeley Cox of Aetna Life. Medical section, Dr. H. E. Christensen of Union Mutual Life. Committee of three to cooperate with Life Insurance Medical Directors Assn., Dr. A. F. Seibert of Travelers. Membership, E. D. Armantrout of Provident Mutual Life. Nominating, Mr. Lydon. Planning, R. K. Metcalf of Connecticut General Life. Public relations, S. F. Withe of Aetna Life.

Individual committees—Individual insurance, H. R. Roberts of Connecticut General. Conservation, F. J. Haran of Connecticut General. Franchise insurance, G. L. McDowell of Commercial of Newark. Health insurance, C. E. Stevens of Standard Accident. Hospital doctor relations, A. E. Haskell of Aetna Life. Hospital expense insurance, R. W. Carey of New York Life. Major medical expense insurance, R. E. Ryan of Royal-Liverpool. Methods and procedures, D. J. Moe of U. S. Life. Non-cancellable insurance, Charles Seavey of Union Mutual Life. Risk selection, R. W. Pope of Employers' Liability. Special hazards, Mr. Pope. Substandard risks, J. M. Wickman of Mutual Life of New York. Educational seminar, Mr. Seavey. Legislative and insurance departments, P. H. Rogers of Aetna Life. Occupational classifications, Mr. Lydon. Policy language, C. J. McBride of Travelers. Statistical, T. O. Schwartz of Standard Accident.

Group committees—Group and statutory disability insurance, G. E. Light of Travelers. Administrative procedures, J. T. McCrystal of Home Life. Blanket insurance, E. H. Marshall of Indemnity of North America. Claims procedures, W. J. Reid of Travelers. Educational seminar, M. D. Miller of Equitable Society. Hospital doctor relations, H. R. Leidholdt of Travelers. Required policy provisions, A. M. Browning of New York Life. Statistical procedures, H. V. Lyons of State Mutual Life.

## Trade Groups Seek to Cut WC Costs

A drive for legislative adoption of a program to reduce workmen's compensation costs in New York has been introduced by 23 business and trade groups. The group contends that WC costs in the state are three to six times higher than in other states. The 12 points being recommended were submitted to a Moreland Act commission investigating such costs in June.

It's designed to tighten the WC law and, according to J. R. Shaw, president of Associated Industries of New York, curb the program's "hand-out philosophy".

Among the revisions proposed are empowering the courts to review questions of fact decided by the WC board and to limit compensation payments to persons suffering from sickness and injury that are related directly to their employment by defining accidental injuries more specifically in the act; to exclude from compensation persons who have recovered from occupational diseases but no longer want to work; and to enforce the requirement that an employee notify his employer of injury.

No insurance groups are connected with the trade organizations pushing the revisions.

## Agents Figure in Three Elections in Indiana

Robert O'Neal, associated with his brother in the O'Neal agency, Speedway City, Ind., was the only Democrat who won office in Indianapolis in the recent elections. He won the race for sheriff of Marion County (Indianapolis) by a margin of about 4,000, whereas all the other offices went to Republicans by margins ranging from 20,000 to 25,000 votes. Another local agent who won election was G. H. Downey, president of Fieber & Reilly, Indianapolis, a Republican, who won a seat in the Indiana house.

One of the casualties of the election was Charles H. Boswell, local agent, a

Democrat, who lost his bid for U. S. Congress from the 11th Indiana district (Indianapolis).

### Minneapolis Insurance Club Meets

Workings of Underwriters Laboratories were explained by Norman H. Davis of the laboratories' public relations division at a meeting of Insurance Club of Minneapolis.

Liberty Mutual, along with Furman University of Greenville, S. C., and South Carolina Industrial Nurses Assn., sponsored a symposium on industrial nursing at the university. Dr. J. M. Bosworth, Atlanta, medical director of the southern division of the company, was one of the speakers.

Walter E. Edge, former U. S. Senator, governor of New Jersey, and ambassador to France has been elected a director of Camden Fire. Mr. Edge is today largely retired. He started his career in advertising and newspaper publishing and has been identified with banking and other businesses.

C. N. Mullican Jr., fire department manager of Fireman's Fund at Chicago, addressed a meeting of Cleveland board on "What's New in Householders' Coverages."

## Review WC in Okla. At NACCA Meeting

OKLAHOMA CITY—Companies writing workmen's compensation in Oklahoma should be required to file more specific annual reports with the state commission, Claude Briggs told members of Negligence & Compensation Lawyers Assn., of which he is a secretary-treasurer, at the annual meeting here.

Reports should be broken down to show itemized expenses under losses paid, instead of a lump sum total, he said. He also advocated a more liberal expense allowance for the commission so that expert employees could be maintained to keep records.

Mr. Briggs quoted figures from this year's report and commented that WC premiums collected in Oklahoma were higher than in most other states considering the provisions of the WC act here. He said that losses claimed were 51% of premiums paid last year.

The George A. Chamberlain agency in Elkhart, Ind., has moved to its own new one story building at 314 South Fourth street. The agency has been in business more than 30 years.

## Plans to Redraft Cal. Rate Laws Underway

Conferences are now being held at San Francisco to redraft the California rate regulatory law into suitable form for introduction at the 1955 legislature. Pacific Board is cooperating in the venture.

The present law has been under sharp criticism of major fire companies, which are seeking more clearly defined regulations permitting less freedom of interpretation.

### Pleune Joins Mich. Gen'l Agency

Mark C. Pleune has been appointed special agent in Michigan for Michigan General Agency of Grand Rapids. He has been at Grand Rapids with the J. M. Wilson Corp. general agency. Mr. Pleune is a graduate of the University of Michigan and has been in the business for six years.

W. P. Houston has sold his agency at Louisville to Harry C. Inman, Jr., who will operate it under the same name. Mr. Houston some months ago acquired the E. A. Parsons general agency and will devote his full time to it.

## South Carolina Insurance Company

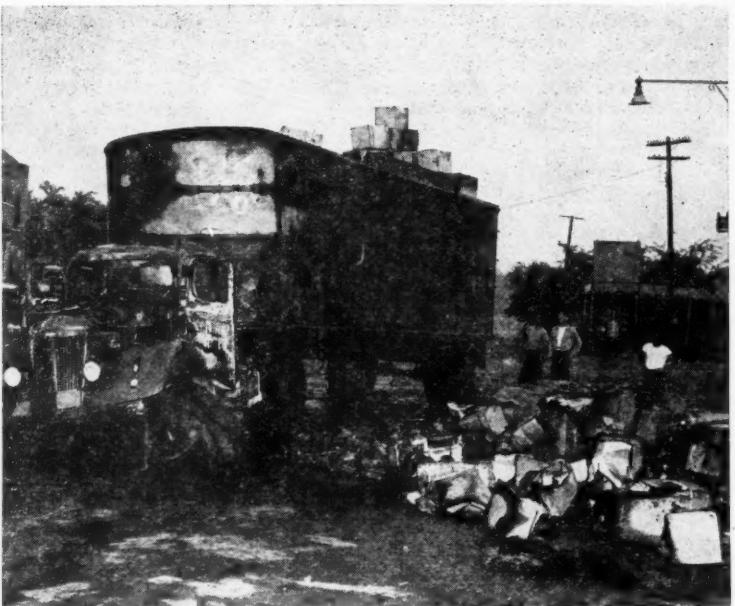
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## Problem of Large Loss Fires Causes Concern

ORLANDO—A. Bruce Bielaski, assistant general manager of National Board, told the Florida State Fire Prevention Conference here that one-fourth of 1953's \$900 million fire loss in the U. S. was caused by big fires (more than \$250,000) that in the aggregate amounted to less than 1% of the total number of all fires.

Mr. Bielaski emphasized that industrial dispersion, the fire hazard involved in the movement of large plants outside city limits, is a cause of growing concern to individual citizens as well as industry and the fire insurance business.

He said that as a result of its recent conference with leading architects and construction engineers, National Board had prepared a brochure dealing with the big problem of big industrial fires and was distributing it to those most concerned—industrial management, architects, construction engineers—and is also starting work on a film designed to help train private industrial fire brigades.

National Board also is studying large loss fires to determine why so many little fires become big ones. The cases afford "striking examples of failures to pay heed to well-known principles of fire prevention and serve as striking illustrations to point out anew and effectively the absolute need for adherence to these fundamentals," he said.

The nation's fire loss, high as it is, may be less than it was 10 years ago, based on the purchasing power of today's dollar. Another encouraging factor is that 68% of the 438 cities of more than 25,000 population whose fire protection facilities National Board's engineers have regularly surveyed show marked improvement, especially in water supply, building laws, structural conditions, fire prevention activities, fire alarm systems, and the fire department itself.

## GAB Promotes Rellahan in Southwestern Unit

W. J. Rellahan has been promoted to executive assistant in the southwestern department of General Adjustment Bureau. He will have supervision over automobile and casualty, and will continue to direct the education and research department.

Mr. Rellahan was a company claim man for 18 years before joining GAB in 1947.

A. R. Marlow is manager of the automobile division and H. O. Stuart is manager of casualty.

## Shaw Addresses Aetna Casualty Graduates

Robert E. Shaw, head of Simsbury agency, representatives of Aetna Casualty at Simsbury, Conn., was guest speaker at the graduation dinner in Hartford of Aetna Casualty's sales course.

Mr. Shaw, who was invited to address the graduates because of his outstanding record since graduating from the course four years ago, stressed the importance to agents of Aetna Casualty's service facilities and the company's reputation for integrity. With Aetna Casualty policyholders, he told the graduates, "you'll never have any cause for embarrassment."

The class he addressed was led by Donald J. Weber of Robinson, Ill. Other blue ribbon winners for high scholastic standing were John A. Kohler of Minneapolis, Daniel J. Nalven of New York City, Daniel J. Kelly of Chicago, Stafford C. Cleveland of Rochester, N. Y., and John W. Kane of Watsonville, Cal. Gold ribbons for demonstrating outstanding skill in soliciting techniques were awarded Glenn R. Torrence of Corpus Christi, Richard W. Hutson of Charleston, S.C., and Kenneth C. Rogers of Richmond.

## D. C. Rating Bureau Elects Governing Group

At the annual meeting of Insurance Rating Bureau of District of Columbia new members of the governing committee elected were Fireman's Fund, Great American, Home and Mutual Fire of D. C. Officers of the governing committee are Arthur T. Fleischauer of Fireman's Fund, chairman and Charles M. Close of Great American, vice-chairman.

The executive committee is R. K. Davis Jr. of Hartford Fire, chairman; William C. Noel of Mutual Fire of D. C., vice-chairman; Stockton M. Hotze of American Fire of D. C., Charles V. Gordon of Automobile, Herbert M. Pasewalk of Firemen of D. C., P. Norman Fenton of Home, James H. Atkinson of National Union, William E. Cassidy of Royal and Harold W. Osterlund of Travelers Fire.

## Plan Q and A Session at Chicago

Casualty Underwriters Assn. of Chicago at its Nov. 10 meeting heard short discussions on automobile, compensation and liability, burglary and claims followed by an extensive question period. W. A. Anderson of American Casualty handled automobile; E. L. Warner, North America, compensation and liability; A. K. Layden, Zurich, burglary, and Harry Ball, American Casualty, claims.

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## Need Must Precede Electronic Equipment, Elmer Rule Declares

Elmer A. Rule, vice-president and secretary of Farm Bureau companies, participating in a panel discussion at American Management Assn.'s office management conference in New York City, said the companies will not install electronic office equipment merely to have it there. Just because these machines work fast is no reason for buying them, he said. There must be a specific job waiting for them.

Nearly \$4 million a year in salary costs has been saved through an 18% increase in individual employee productivity. The companies are stressing incentive and pay "cash for work and idea productivity and security and fringe benefits for length of service." In the last three years there has been a decreasing salary per policy in force and at the same time an increase in average salary per employee. No uniform salary raise is being considered.

It has been found, he said, that morale among employees in the 14 regional units that handle all auto business in a given territory is better than morale in the main office. Employees in the regional units feel more at home as part of a smaller team that has similar ideas and problems.

Progress and pay of management and clerical workers depend on performance. Increased productivity has resulted from competition among the regional units and from job enlargements. There is less tendency to specialize within the units. Employees have wider scopes of personal activity and understand better how their jobs fit into the overall pattern.

## Bonding Clarified, Strengthened in Mass.

The 1954 Massachusetts legislature has given to and taken away from surety companies and, considering the net result, the companies are not dissatisfied.

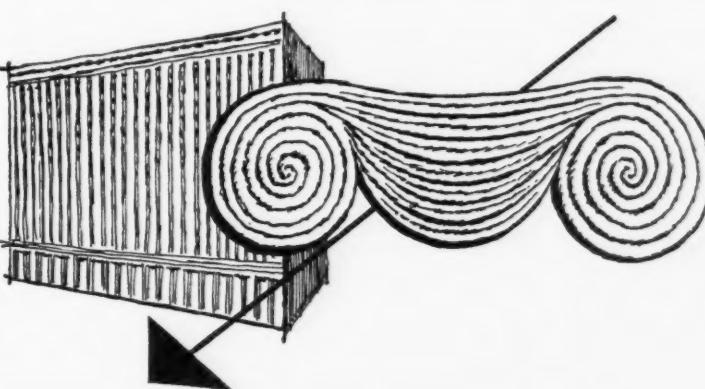
Taken away was the possibility of bid bonds being offered by general contractors to guarantee their bids on public works. Given was a definitive spelling-out of final surety bonds in which it is made clear that general contractors must offer separate performance and payment bonds of at least 50% of the contract price. The charge for bid bonds was nominal. Performance and payment bonds are on a rating schedule.

## Minnesota Buyers Elect

MINNEAPOLIS—A. D. Marvin of the Green Giant Co. is the new president of the Minnesota chapter of National Insurance Buyers Assn. Other officers are: H. V. Noland of Patterson-Dental Supply Co., vice-president, and Julian Mageli, Nash-Finch Co., and Mr. Marvin, directors. Fifty-eight Minnesota firms hold memberships in the chapter, making it one of the largest in the country.

## 10% Stock Dividend

Directors of American Universal of Providence, in addition to a cash dividend of 50 cents a share, have declared a stock dividend of 10%, one share for each 10 shares held, both payable Dec. 1 to holders of record Oct. 22. There will be no fractional shares. Those entitled to fractional shares will receive instead a cash payment equal to \$2.40 per one-tenth share.



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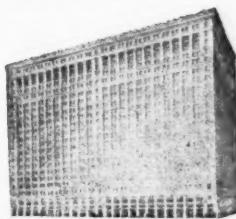
For example, consider elevators. Several banks of Electro-matic elevators of the latest design have just been installed in the Insurance Exchange. And in line with the trend toward air con-

ditioning, five floors of the Insurance Exchange South have been completely air conditioned.

These improvements are merely steps in a long range modernization program. Plans are being made that will still further enhance the prestige of the Insurance Exchange as one of the nation's finest office buildings.

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## EDITORIAL COMMENT

### Good Salesman, Faulty Merchandise

Secretary Oveta Culp Hobby of the Department of Health, Education and Welfare proved a charming and persuasive salesman for the Eisenhower administration's line of social security and A&H merchandise when she addressed the recent annual meeting of the American Life Convention.

To judge from the audience's reaction, the administration's program could not have had a better spokesman. But as every insurance man knows, even the most astute and persuasive salesman will bog down if there is something basically wrong with what he is selling. The most obvious lemon in Mrs. Hobby's line of merchandise is the use of the reinsurance principle as a means of encouraging private-enterprise insurance to provide the spread of medical and hospital care needed to stave off government-operated plans.

Undoubtedly Mrs. Hobby is correct in stating that the private-enterprise people had better get busy or Congress may succumb to the pressure to enact a government scheme. No one can doubt the soundness of her statement that "time is running against those who seek to keep health insurance on a voluntary basis."

Yet, in almost the next breath she reiterated her belief that "the administration's reinsurance program considered by the last Congress was a realistic program to implement these objectives—objectives which were endorsed last spring by a meeting of leaders of your industry with President Eisenhower and departmental officials."

True, the objectives were endorsed. But that's a long way from endorsing the reinsurance method of achieving them. It is depressing to find that Mrs. Hobby and the Department of Health, Education and Welfare technicians whom she relied on for her information do not, after all the insurance education they have been exposed to, understand the basic inappropriateness of trying to accomplish their laudable aims by the kind of reinsurance plan contained in the bill that got stymied.

The basic trouble is not with the insurance companies or with their executives and the earnest, well-meaning people in the HE&W department who don't want to be pushed into socialized insurance but who well know that for political reasons they've got to do something more than drag their feet—or exhibit, in Mrs. Hobby's words, "a static posture."

The real problem is the something-for-nothing attitude that too many of the citizenry have unconsciously developed in two decades of being encouraged to turn more and more to a powerful central government as the source from which their blessings flow or should flow. There would be no great trouble devising a comprehensive medical and hospitalization policy that would cover fully every conceivable ailment for any conceivable amount and duration, non-cancellable from birth to death. It would be ideal in every respect except one: price. Even if not loaded a nickel for sales or overhead expense, such a policy would find few takers except among the broken-down in health.

The plain truth is that it can cost an awful lot to be sick. It would cost even more, under the doctors' present system of setting their fees, if everyone were fully insured and the doctor or surgeon had no reason to temper his charges to reflect the patient's lack of affluence.

The typical member of the public, rather than pay even the net insurance rate for a truly comprehensive medical and hospitalization policy, would rather "luck it out" or anesthetize his fears by buying a contract that is cheap because it bows out just about at the point where the bills really begin to hurt. Then, when he gets caught with no insurance or pitifully inadequate coverage, he begins screaming for the government to do something. No matter how much he likes and depends on the private enterprise system, he is quite likely to favor junking it as far as medical and hospital care insurance is concerned.

The revolting part of this is that the fellow who is yelping for government insurance isn't demanding it because he thinks the government will provide it more cheaply or more efficiently. If he knows anything at all about government operations he will not harbor that illusion. What he really likes about government insurance is that he thinks that the taxpayers in general will have to foot most of the bill and that in some way he'll be shifting the bulk of the burden to the other taxpayers—the rich ones, he figures in a fuzzy sort of way.

Perhaps there'd be less enthusiasm for government-operated health and hospitalization insurance plans if the people generally understood the cost and particularly if each citizen could be given an approximate idea of how

much he himself—not the rich people—would be nickel to pay for the benefits under a plan of nationalized health coverage.

It may turn out of course that demagoguery has gone so far that it would be political suicide for a party to pursue an economically realistic course with respect to the spread of medical and health insurance. If that is so, then the answer is not reinsurance but subsidy. We hope it won't be called reinsurance, though it might be better to throw the fair name of reinsurance to the dogs as a small price for avoiding the evils of compulsory national health insurance.

If the reinsurance principle has so much appeal to the administration, it would be more sensible for it to use the excess insurance principle rather than the coinsurance approach used in the recommitted A&H reinsurance bill. The coinsurance procedure, which merely shares a stated percentage of each loss, provides scant incentive for an insurer to take a chance on some new type of coverage or insured group. It is little comfort, when losing money, to know that somebody else is also losing on the same deal.

If the government, in return for a specified premium, were to guarantee to pay claims in excess of a stipulated amount or in excess of an annual aggregate of losses on the line, there would be a real inducement to insurers to write the kind of coverages the administration wants written. If the premium charged by the government for this kind of excess-of-loss coverage were inadequate, the government—that is, the taxpayers—would pay the entire excess. That is as it should be, for there is no reason why the companies should subsidize a plan written at rates known to be inadequate in response to a something-for-nothing

attitude that was certainly not generated by the insurance companies.

We believe a way can be worked out so that the spread of medical and hospital care coverage can be handled through private insurers. Moreover, with the present administration and its present attitude, there seems to be a better chance of setting up a private-enterprise plan than there is likely to be later on. Nevertheless, the squeeze from the nationalized-socialized insurance elements is so strong that it will doubtless be extremely difficult for the administration to offer the private insurers a plan they feel they can live with.

With all the political pressures involved, the best deal the government can possibly offer will be no bargain to the insurers. So if there appears to be the slightest reasonable hope of devising a plan that can be handled by private insurers, even though sub-, no, we mean reinsured, by the government, every possible angle should be explored, every proposal scrutinized, and every scintilla of ingenuity utilized to devise and gain acceptance for a plan that will stave off government insurance and let private insurers handle the job.

It will cost money and effort to do this planning and research but now is the time to expend them. Far better to do it now than to lose millions later through having been dragged into some dubious scheme that the companies felt they must underwrite for fear of letting compulsory national hospital and medical insurance become established. It may prove impossible to head off such a compulsory program. But if that should prove to be true, at least the private-enterprise insurance business should be able to say that it did everything humanly possible to avert it.

## PERSONAL SIDE OF THE BUSINESS

The race for U. S. Senator in New Jersey was so close that there is to be a recount. At last reports **Clifford Case**, the Republican, was leading by a few hundred votes his Democratic opponent, **Charles R. Howell** local agent at Trenton. In addition to being a local agent, Mr. Howell holds the life agent degree, CLU.

**Charles S. Rosensweig**, editor of the *Insurance Advocate*, will receive Brooklyn Brokers Assn.'s annual award for outstanding service to the business at the annual dinner dance of Assn. of Casualty & Surety Cos. Nov. 18 in Brooklyn. Presentation will be made by Ray Murphy, general counsel of the

association. Harold Fleischer, president elect, is general chairman of the event.

**George Ward**, local agent at Far Rockaway, N. Y. lost out in the race for state assemblyman in the 12th district of Queens County. He ran on the Republican ticket, but his Democratic rival won, 23,867 to Mr. Ward's 18,215.

**Murray D. Lincoln**, president of the Farm Bureau of Ohio companies, has been elected to his ninth successive term as president of CARE. Mr. Lincoln was a founder and the first president of the project.

**Walter Bastian**, former counsel of insurance rating bureau of District of

### The NATIONAL UNDERWRITER

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Columbia and now a judge in the federal district court in Washington, has been nominated by President Eisenhower as a member of U. S. circuit court of appeals there.

**William T. Davis**, recently named agency superintendent at the home of



Beverly C. Young



William T. Davis

vice by National of Hartford, has been state agent in Texas and previously was an adjuster. **Beverly C. Young**, who has been appointed to a similar position, has been state agent in Georgia. The two will supervise multiple line business in the south and southwest.

**Brooks Esliek**, Pulaski, Tenn. local agent, has been elected to his third term in the state legislature. Last term he was chairman of the insurance committee in the house.

Pelham, N. Y. He entered the business as an insurance adjuster with Columbian National Life at Boston, where he remained for 30 years before becoming president of St. Lawrence Life Association of Jamestown, N. Y., in 1940. A year later the company merged with Empire State of New York, and Mr. Tumblety became its 1st vice-president.

**S. O. LATIMER**, 82, local agent at Port Arthur, Tex., and one of the city's pioneers, died at a hospital there. His agency was formed in 1902 under the name of Craig & Latimer and 18 months later Mr. Latimer bought out his partner, the late George M. Craig. Mr. Latimer was the uncle of J. L. Latimer, U. S. collector of customs at Port Arthur.

**STANLEY V. SUMMERS**, 60, manager of claims and compensation of Travelers, 80 John street office, New York City, died after a heart attack at his home in Syosset, N. Y. He joined Travelers as an investigator in 1918.

**GEORGE W. HAECKER**, 46, manager of the Haecker agency of Lincoln, Neb., died of a heart attack there while attending the annual convention of the Nebraska Assn. of Insurance Agents. Mr. Haecker started in insurance in 1933 with the former Woods Brothers Corp. in Lincoln and started his own agency in 1940.

**WILLIAM H. REILLY**, operator of an agency at Butte, Mont., died in a hospital there. Mr. Reilly founded his own business in 1939 when he bought out the Kossen and Hardin-Gagner agencies.

**JESSE S. PHILLIPS**, 83, director and former chairman of Great American and former New York insurance superintendent, died at his home in Bronxville, N. Y. He served as superintendent from 1915 to 1921 when he resigned to become general manager and counsel of National Bureau. He became president of Great

American in 1926 and held that post until 1933 when he became chairman. He remained a director of the company until his death.

After serving in the state legislature from 1901 to 1911, he was appointed superintendent in 1915 and was re-appointed to successive terms until he resigned in 1921. In 1933 he was named

to the state insurance board and served until he resigned a year ago. He was president of National Convention of Insurance Commissioners in 1916 and 1917.

**IVAN W. CLARK**, 62, vice-president, secretary and co-founder of Boquist, Clark & Swivel, Portland agency, died of a heart attack while on a hunting trip to Nyssa, Ore. Mr. Clark started with the Royal-Liverpool in San Francisco and was adjuster for the General Accident in Oregon from 1920 to 1939, when he helped start his agency.

**JOHN A. THOMAS**, 60, a partner in Thomas & Sutton, Atlanta adjusters, died at his home in that city. He had been ill for a year. He previously had been with General Motors group at Atlanta.

**ROY CHASE**, who since 1924 operated an agency at Fort Atkinson, Wis., died of a heart attack at his home.

**JOHN C. CHANDLER**, 65, retired president of the California Indemnity Exchange, died of a heart condition at his San Francisco home. He was one of the engineers with California rating bureau at the time of its organization

## STOCKS

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Aetna Fire	2.40 68 1/2 70
Aetna Life	2.50* 135 137
Agricultural	1.60 34 1/2 36
American Equitable	1.70 34 1/4 35 3/4
American Auto	2.00 50 52
American (N. J.)	1.10 33 34 1/2
American Motorists	.24 13 Bid
American Surety	3.00 68 1/2 70
Boston	1.40 37 1/2 39
Camden Fire	1.10* 25 1/2 26 1/2
Continental Casualty	2.60 82 1/2 84 1/2
Crum & Forster com.	1.80 65 66 1/2
Federal	.60 32 33 1/2
Fire Association	2.20 50 3/4 52 1/2
Fireman's Fund	1.80 65 66 1/2
Firemen's (N. J.)	1.00 33 36
General Reinsurance	1.80 42 44
Glens Falls	2.00 69 71
Globe & Republic	.90 17 1/2 18 1/2
Great American Fire	1.60 37 1/2 39
Hartford Fire	3.00 167 170
Hanover Fire	1.80 42 1/2 44
Home (N. Y.)	2.00 43 1/2 45
Ins. Co. of No. America	2.25* 99 101
Maryland Casualty	1.20 37 38
Mass. Bonding	1.50* 30 1/2 32
National Casualty	1.50* 38 42
National Fire	3.00 100 102
National Union	2.00 45 46 1/2
New Amsterdam Cas.	1.50 51 53
New Hampshire	2.00 42 43 1/2
North River	1.40 33 1/4 34 1/2
Ohio Casualty	1.55* 73 76
Phoenix, Conn.	3.40 85 87
Prov. Wash.	1.50* 28 3/4 30
St. Paul F. & M.	1.00 48 1/2 50
Security, Conn.	1.70* 42 1/2 44
Springfield F. & M.	2.00 53 3/4 55
Standard Accident	1.80 66 67 1/2
Travelers	19.00 1455 1475
U. S. F. & G.	2.00 79 81
U. S. Fire	1.80 46 1/2 48

\*Includes Extras.

in 1915, and later joined the Exchange in that position.

**HORACE C. STANLEY**, 74, father of Sumner Stanley, general manager of New York Fire Insurance Rating Org., died after a long illness at his home in New London, N. H.

**JOHN C. ASTON**, adjuster for Firemen's Ins. Co. died in Providence hospital, Seattle, following a short illness.

**JOSEPH C. LATIMER**, 51, special agent of America Fore at Tampa, Fla., died at a local hospital. He had been with the group 15 years.

**MORRIS BEIM**, who had operated an agency at Columbus, O., 44 years, died there. He was 72.

**HERBERT S. BREIT**, 53, was killed in an automobile accident. He had been with the M. C. Feldman & Co., New York City brokerage firm, 27 years and had been in insurance for more than 30 years. He lived in Rego Park, N. Y.

**MRS. AGNES B. CURTIN**, who had headed a local agency in Rochester, N. Y., since the death of her husband, Cornelius J. Curtin, died at her home.

**FRANK G. MADDUX**, 65, Nashville local agent for 40 years, died after a heart attack at his home.

## Marsh & McLennan Names Smith to Succeed Miller

Frederick C. Smith has been named to succeed Edward C. Miller of the railroad insurance department of Marsh & McLennan at Chicago. Mr. Miller is retiring after more than 48 years with the company.

Mr. Smith, who has been working in the railroad department since 1947, joined the company in 1944. He started in insurance 25 years ago with Fire Underwriters Inspection Bureau at Minneapolis.

## Postpone Minn. IM Hearing

The Minnesota department has postponed the hearing of Nov. 9 to determine whether the nationwide marine definition should be amended with respect to covering grain or flour.

## Name Dallas at Oakland

Alfred J. Dallas has been appointed group manager for Fireman's Fund at Oakland. Mr. Dallas, who has been in charge of fire operations at Oakland since 1945, will continue to supervise fire underwriting.

• Los Angeles A&H Underwriters Assn. heard a talk on the use of mail order advertising by Patrick McGill of Reuben H. Donnelly Corp.

Lewis County (Wash.) Insurance Assn. has elected George Browning as president, succeeding Glenn Putman. Glen Barnhart Jr. was elected secretary.

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## 1953 Fire Loss at Peak Tops Billion Dollars

The nation's fire losses for the first time in history went over the billion-dollar mark in 1953, the National Fire Protection Assn. has estimated.

It was also the fifth successive year in which U. S. fire losses have increased, the NFPA reports in the current issue of the association's quarterly magazine. The report states that approximately 1,899,400 fires of all types in the U. S. in 1953 caused a direct loss of \$1,021,720,000—an increase of \$80 million over the 1952 total.

The NFPA estimated last year's building fires totalled 727,000 and caused \$889,120,000 damage. An additional 1,172,400 fires not involving buildings—aircraft, motor vehicles, forest, ships, rubbish, grass fires, etc.—accounted for an estimated \$132,800,000 loss.

The number of 1953 building fires represents a 3.4% increase over 1952 figures, but the 1953 losses are 12% more than the previous year and one industrial fire accounted for almost one half of this increase.

There was a 5.8% increase in the number of dwelling fires (420,000 total in 1953); a 25% increase in fires in barns; a 10.5% decrease in warehouse fires; a 6.3% decrease in automobile fires; an 18% decrease in forest fires; and the number of fires caused by defective or overheated chimneys and flues decreased 22%.

## Offer Book on Business Interruption Coverage

"Let's Take the Mystery Out of Business Interruption Insurance", a book first published by the Texas Insurance Advisory Assn. in 1953, is available again in an enlarged, revised second edition.

First in a series of educational publications on specific property coverages, the 52-page book is based on five business interruption seminars conducted by experts on the subject.

Single copies of the new edition are available without charge from the public relations department association, P. O. Box 15, Austin 61, Texas. Copies in quantity are available at cost.

## Late WC Rate Sheets

### Irk N. H. Agents

The delivery of new rating sheets to New Hampshire agents reached a new peak of inefficiency last month with the inception of new workmen's compensation rates, according to *Granite Chips*, publication of New Hampshire Assn. of Insurance Agents.

New rates for WC and employers' liability went into effect Oct. 1, but the rating sheets did not reach some of

the New Hampshire agents until Oct. 18.

A check with the insurance department revealed that it did not receive its new rate sheets until Oct. 13—nearly two weeks after they went into effect.

Agents complained, and with good cause, that they were unable to handle efficiently new risks because of the lack of new rate sheets.

One agent said, "There is no reason for this sort of service. We should have the new rate sheets before they go into effect."

Only recently at the Chicago meeting, agents attending the eastern territorial conference meeting heard a New Jersey agent blast rate bureaus who warn agents only at the last minute of changes in fire rates.

This agent told the meeting that his office had issued more than 600 renewal policies, and which had all been mailed out, when he received "news" from the rating bureau of new rates.

## Washington Assigned Risk Plan Elects Wade

The Washington Automobile Assigned Risk plan at its annual meeting in Seattle elected R. M. Wade of the General Casualty as chairman of the governing committee. James F. Hart, Royal-Liverpool, was elected to represent the National Bureau of Casualty Underwriters.

Members of the committee include Victor Ebaugh of Lumbermens Mutual Casualty, representing Mutual Insurance Rating Bureau; Mr. Wade, all other stock insurers; Lyle Sizer, of State Farm, all other non-stock insurers, and Rex A. Rosenberger of Farmers, reciprocal inter-insurance exchanges.

## GAB Names Young in Wash.

General Adjustment Bureau has appointed R. J. Young as manager at Pasco, Wash., to succeed E. C. Wood, who is no longer with the organization. Mr. Young has been at Tacoma since joining GAB five years ago.

The office at Oceanside, Cal., has been discontinued and the territory will henceforth be handled by the San Diego office.

## Central Surety Expanding

Central Surety is remodeling the building at 18th and McGee streets in Kansas City, which has served as its home office, and will take over the entire space. The company has been in the building for nearly 30 years, starting with 6,000 square feet. The bottom floor has been used by an automobile concern. The building is four stories high and contains 55,000 square feet.

## Gard Adjusting Moves

John L. Gard & Associates, independent adjusters, has moved its home office from Cape Girardeau to St. Louis. The Cape Girardeau office will be maintained with David Buerk as manager, and John L. Gard will be in charge at St. Louis, assisting at Cape Girardeau. The new home office address is the Cotton Belt building.

## Challenge Use of Factory Mutuals

JACKSON, MICH.—Recent action of the Jackson county board of supervisors in awarding Blackstone Mutual a \$2,225,000 policy on five county buildings has been challenged as to its legality.

Supervisor Patch moved that final action in placing the coverage be delayed for consideration of the board, with the insurance committee delegated meanwhile to consult legal authority as to whether the county has a right to "join a mutual." The board approved his motion, 18-7, a much more decisive vote than that cast when the award was approved.

## Promote Gilbert as Whitehouse Retires

Fred Gilbert, Jr., who has been assistant manager of casualty, fidelity and surety at the San Francisco office of Travelers has been appointed manager of the same lines at Oakland. He succeeds Carl V. Whitehouse who has retired after more than 29 years with the company.

Mr. Gilbert joined Travelers in



C. V. Whitehouse



Fred Gilbert, Jr.

adjuster of Factory Insurance Association, has been appointed general adjuster, succeeding Herbert E. Adams, who has retired.

Mr. Klebart joined FIA in 1925. He was, successively, inspector, special agent in charge of the Baltimore office and field manager in charge of the Philadelphia office. He was promoted to assistant general adjuster when he transferred to the Hartford office and devoted his time entirely to loss work, which he will now direct.

## Hauschild New President of Great Northern of Minn.

John H. Hauschild has been elected president of Great Northern Ins. Co. of Minneapolis. He has been president. Douglas M. Farnham has been advanced from vice-president to president, and Victor L. Steinbauer has been made secretary and treasurer. He has been treasurer and assistant secretary. The vice-presidents are George W. Harsh, Fred H. Sabin, Wayne Childs and Willard L. Craig.

Wolfstone, Laurie & Co., Seattle agents and brokers, have added Claude Houghton to their staff. Mr. Houghton was Spokane manager for Stuart G. Thompson-Elwell Co., general agents, from 1950 to 1954, and has been with Newton & Co. the past six months.

1930 as a field supervisor at Seattle, in 1937 went to San Francisco in the same capacity and two years later was promoted to assistant manager there.

Mr. Whitehouse joined Travelers in 1924 as field supervisor at Des Moines, transferred to San Francisco in 1925, returned to Des Moines as manager in 1928 and went back to California in 1929 as manager at Oakland.

Travelers also has appointed Richard T. Johnson assistant manager at San Francisco, and has transferred Frank J. Ehrman, assistant manager, from Corpus Christi to Houston, and Richard Swayne, assistant manager, from Stockton to San Francisco, with offices in Sacramento, in casualty and fidelity and surety lines.

In fire and marine lines William N. Lowe has changed his headquarters from Aurora to Chicago and Donald G. Ziegler has been appointed field supervisor at Los Angeles.

## Casualty & Surety Club of N. Y. to Dine Dec. 16

The annual dinner and Christmas party of Casualty & Surety Club of New York will be held Dec. 16 at the Hotel Commodore, New York City. Stephen Bedell of Maryland Casualty is chairman of the entertainment committee, and Norman R. Clark of Travelers is handling the reservations.

## Farmers of L. A. in N. Y.

Farmers of Los Angeles has entered New York, but the reciprocal has not yet filed rates.

## Opens Chicago Claim Office

Spencer C. Mount, formerly with Marxer & Mount, inland marine adjusters, has opened an adjusting and claims service office at Chicago.

## Cargo Thefts Increase

Types of materials are being stolen that a few years ago would not have been subject to theft, according to Cargo Protection Bureau, New York. Recent listings of stolen cargoes varies from \$112,000 in gold bullion in England to a load of tools and a load of building materials in the U.S. The terrain covered is also increasing with recent cargo thefts reported in Miles City, Mont., Montebello, Cal., and Superior, Wis.

## Klebart Promoted by FIA

Roland C. Klebart, assistant general

## Hints Changes to Come with Electronics Use

Radical changes caused by the development of large scale electronic devices are looming before the fire and casualty business according to a progress report on electronics published by Casualty Actuarial Society.

The society's research committee, under the chairmanship of Dudley M. Pruitt, assistant general manager and actuary of General Accident, concludes that use of electronic equipment appears certain to speed up present accounting and statistical operations, to mechanize present clerical operations and to perform forecasting and testing jobs not now practical. The committee foresees rate changes more closely timed to development of experience and more actuarially accurate rates with the use of the equipment.

The report embraces a survey of the machines, a section on what companies should be doing in preparation for ultimate electronic mechanization and the outlook. It also contains an appendix in which some specific rating,

coding and policy writing problems are analyzed as examples of the type of changes which may be expected in the business.

Copies of the report, at \$2 each, are available through the office of the secretary of the society, room 1230, 107 William street, New York City.

## Kreps Heads Mich. Bond Unit of Continental Casualty

Leo Kreps has taken over the duties of manager of the bond department of the Michigan service office of Continental Casualty.

Mr. Kreps replaces Dick Cloak, who is obliged to return east for personal reasons.

## Continental Cas. Names Flodin

C. Roger Flodin has been appointed northwest fire department manager for the Continental Casualty companies at Seattle. Mr. Flodin, who has been with Northwestern Mutual Fire and the Martin general agency, succeeds George Bosley, who has been promoted to superintendent of agencies for the northwest.

## PEPPY FREDDY, the fieldman, says:

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## Hurd Says, Don't Just Meet Competition—Make It

(CONTINUED FROM PAGE 10)

surance more than he wants a new suit, a TV set or a thousand other products, services or forms of entertainment. Once a person wants something, he will find a way to get it and pay for it.

The first person to plant an idea or create an impression in a prospect's mind by providing information about a subject has a distinct edge on his competitors because they must dislodge or remove this impression before they could substitute their own sales arguments. A successful producer is walking proof of this theory. He reaches a prospect ahead of his competitors, sells them on the value of his personal services, and holds their loyalty by keeping in touch with them. All three steps are essential. By capturing and holding the complete confidence of customers, the agent keeps them sold on the idea that the purchase of insurance ranks high as a necessity and makes it impossible for a direct writer order taker to change this attitude to the use of their only weapon, a cheaper price.

He took a look at the meaning of personal service. The agent says it is the product that he is selling, but unfortunately it isn't what the buyer thinks he is buying. He is not interested in buying personal service as such.

In most cases the prospect is looking for a professional insurance worrier, someone on whom he can unload his protection problems, someone who will be genuinely concerned about his safety and welfare. It is this deep concern on the part of a successful producer which inspires personal service and makes competition for the direct writers which they cannot meet.

He noted that self service plans are economical only when the buyer is competent to do his own purchasing. Otherwise it becomes extremely ex-

pensive and may involve everything he owns.

Where does the company fit in this picture, where do its responsibilities begin? Insurers must provide the protection, the broadest they can devise at the lowest possible cost. They must maintain a corps of trained and competent claims men, engineers, underwriters and payroll auditors. They can spend millions of advertising dollars explaining the advantages of personal service of producers as compared to self service offered to direct writers, but in the end it will be the producer's actions and not the company's words which will convince buyers.

He also warned against "talking to ourselves." During the past 25 years "we have done a wonderful job of convincing each other that the American agency system is best. Shouldn't we, for the next 25, spend our energy and enthusiasm convincing insurance buyers?"

Mr. Hurd does not believe that the agency system is antiquated and expensive. It is as new as the agent's latest visit with one of his customers and as inexpensive as the most recent draft that he delivered to cover fully insured loss. So long as the system continues to make professional personal service an integral and continuing part of the protection it offers to the public, it need not fear competition. The independent producers and their companies will be making competition not meeting it.

### Jackson Says, Public to Have Type of Compulsory Auto

(CONTINUED FROM PAGE 7)

pany and the public and the professional advice which he gives to policyholders are invaluable.

"The companies should not only be proud of their agents, but should also take great pride in their activities in

the way in which many of them become leaders in the civic and social life of their communities," he declared. "It is because, in many instances, insurance agents occupy such prominent positions in local activities and pursue them so aggressively, that direct writing has, until the present time, made up a very small percentage of the insurance business written."

However, the theory that insurance is not bought—it is sold—is changing he added. There is now a savings bank life insurance in New York and Massachusetts at reduced premiums. Thrifty persons take advantage of this, but many still ignore this opportunity and wait for the agent to ring the doorbell. Fortunately, conditions are such that a competent agent can still study the needs of his client and provide him with contracts which give him the protection required. This, a direct writer and mail order clerk are not in a position to do.

However, companies are giving attention to this competition and the necessity of meeting it. No company can afford to antagonize its agents by advocating the reduction of commission, he said, but the business is highly competitive and is continually in evolution. He suggested that the agent, being in frequent contact with the average policyholder, feels the public's reaction to rate revisions first and should transmit this information to his company and seek its cooperation in finding a proper solution for policyholder complaint. Interests of companies and agents are one, especially when it comes to rate making, he said.

### Northwestern Mutual Fire Names Puryear in Ark.

Marvin L. Puryear has been named special agent in the Arkansas-Oklahoma territory of Northwestern Mutual Fire. Merle G. Jamison, who vacates this post, has moved to the West Texas-New Mexico area.

### Missouri National Starts

Missouri National Life, the Kansas City company in process of organization for about a year, now is in operation. It is beginning with capital of \$50,000 and a similar amount of surplus, derived from sale of 50,000 \$1 par value shares at \$2 each. The company is writing both life and A&H. At present it is licensed only in Missouri but plans expansion to other states shortly.

Daniel H. Shteamer is president and the principal stockholder. He has been in insurance for 11 years, serving as a general agent for several life and A&H companies, including National Travelers. He is 33. H. M. Shteamer is vice-president and W. J. Koenigsdorf, secretary-treasurer.

### Insurance Manager of Gas Group

George A. Trump of West Natick has been named manager of the insurance department of Eastern Gas & Fuel Associates. He will handle fire, group and casualty for the organization. He has been assistant insurance manager several years. He is a director of United States Mutual Liability.

### Ala. Glass Rates Increase

Glass insurance rates have been revised in Alabama by National Bureau, effective Nov. 3. Rates are increased approximately 14% for the Birmingham area, but remain unchanged for other territories. The revision results in an average statewide rate increase of about 5%.

Chown Phillips has purchased the business of Frank G. Horton, 82, pioneer Parkrose, Ore., local agent, who has retired. Mr. Phillips has been with the agency a year.

### Fire Association Report Judged Industry's Best

Fire Association received *Financial World* magazine's "best of industry" award for annual reports of property insurance companies at the annual award banquet in New York. A total of 33 companies in the property insurance classification, one of 100 classifications judged, submitted reports. Vice-president Samuel B. Jones accepted the bronze oscar for the Philadelphia company.

In all, 5,000 financial statements were entered in the 1954 contest.

### "Digest" Articles of Interest to the Business

Three articles of particular interest to insurance people appear in the November issue of *Reader's Digest*. One points out the ways in which some people abuse their hospital insurance by putting in claims for hospitalization which is not only not necessary but, in some instances, the persons are not even sick. Blake Clark, the author of the article, "Let's Stop Abusing Hospital Insurance," warns that such persons are driving up the price of hospital insurance for everyone.

Another, "Bad News for Burglars," also by Mr. Clark, explains some of the methods American District Telegraph uses to foil burglars.

Jerome Beatty, writing on "Your Home Is Full of Legal Booby Traps," emphasizes that visitors, delivery clerks, salesmen, postmen, baby sitters, even trespassers are entitled to protection from accidents that may occur while they are in a person's home. He advises purchasing comprehensive personal liability and explains the ways in which a householder can be protected by it.

### Hospital Contribution

Insurance Post 1081 American Legion, New York City, has presented Beekman Downtown hospital \$700 to establish a room for meditation and prayer for the families and friends of patients, appropriate for all faiths and creeds. The room is to perpetuate the memory of the late Rev. Carol Podin, who for many years served the insurance post as chaplain. The check was presented by A. A. Kistner of Yorkshire, F. J. Hacey of Aetna Casualty and C. A. Lohmuller of Fireman's Fund.

### Northern Boosts Dividend

Northern of New York has increased its semi-annual dividend rate by 30 cents. This increase brings the dividend to \$3.60 annually rather than the previous \$5. The dividend is payable Nov. 15 to stockholders of record Nov. 1.

### New Iowa Mutual Formed

DES MOINES—Century Mutual Ins. Co. of Des Moines has been licensed by the Iowa department to sell aircraft insurance.

Heading the company are Lee Scott, Hamilton, O., president; Robert Cline, Des Moines local agent, vice-president and secretary, and Berry O. Burt, attorney, director and general counsel.

### Malum Resigns Wolverine Post

DES MOINES—Don N. Malum has resigned as western manager of Wolverine of Battle Creek to join Home Federal Savings & Loan Assn. here as assistant vice-president.

Mr. Malum, formerly with Travelers, was Iowa deputy commissioner from 1947 to 1949. He joined Wolverine in 1949.

Gilbert J. Pedersen of the law firm of Smith, Kendall & Pedersen, Buffalo, has been retained as counsel by the agents in this action.

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# Fire and Casualty Insurance

## COMMENTS - TRENDS - OBSERVATIONS

### Pros and Cons of UJ Coverage Offered by Five-Man Panel at NAII Convention

A roundup of opinion on unsatisfied judgment insurance was presented members of National Assn. of Independent Insurers at their St. Louis convention. The five members of a panel on this subject covered background of the coverage, reasons for adopting it, opposition thinking, and the effect of UJ on claims.

Walter Dressel, executive vice-president of Motorists Mutual; Clyde Cecil, manager of Colorado Farm Mutual Casualty; Paul R. Erickson, general counsel of Detroit Automobile Inter-Insurance Exchange; K. M. Hough, vice-president of Anchor Casualty, and W. A. Brooks, vice-president of Oregon Automobile, offered their views on UJ.

UJ coverage has resulted from a public need, Mr. Dressel declared. There is a demand that the industry do something to fill the void between coverages already written and those which should be written. In states having financial responsibility laws strictly enforced, between 75 and 95% of the motoring public carry liability insurance. It is the 5 to 25% of the motorists who are uninsured that cause the trouble and create the demand for compulsory insurance. Compulsory, however, is not the answer, Mr. Dressel said.

Motorists Mutual, in pioneering UJ, feels it is better to meet this problem head-on than to sidestep the issue and put the states in the insurance business by means of state funds. UJ fills a void between the insured and the uninsured for which in the past there has been no protection.

Motorists Mutual's coverage applies to the named insured, his spouse and their minor children if residents of the household. They are covered for BI or death while in or on the insured vehicle, the vehicle of a friend or riding a bicycle or other non-motorized land vehicle or while a pedestrian. This coverage, when compared to that offered by the UJ state fund in New Jersey, is much broader.

In the short time that UJ has been written, there have been developed almost as many variations as there are companies writing the coverage, and he said this is a healthy situation. In one state, the insurers are required to include property damage, but there is a deductible feature of varying amounts in most companies. Motorists Mutual did not include PDL because it felt the demand was in the line of uncompensated personal injury. Furthermore, the public has collision insurance available.

One of the thorns of UJ is the default judgment. Mr. Dressel admitted it might become a problem and it has to be recognized there will be uncontested actions. Insurers are meeting

this in several ways—some limiting their coverage in a case of default to actual pecuniary losses sustained including wages, or some adding to this a provision for loss of life or dismemberment, along the lines of A&H policies.

The criticism that UJ is an additional burden on the policyholder premiumwise, Mr. Dressel said, is a narrow view. "I wonder who would pay the extra burden of costs and losses inflicted on the companies if we were first forced into writing compulsory insurance?" he asked. He said he doubted if the insurers could afford to write under a compulsory law at the nominal premium charged for UJ.

The extent of exposure assumed under UJ has a direct bearing on the enactment and enforcement of FR laws, which have a tendency to encourage insurance buying. The business should strive to have more states adopt FR laws and enforce them, Mr. Dressel said, because the degree of exposure to some extent may be determined by the manner in which the laws are enforced.

He predicted that claim handling under UJ should not be much of a problem nor should the setting up of reserves.

The reception given UJ by the public justifies its existence and nullifies the argument that it violates the basic theory of private insurance, Mr. Dressel declared. Motorists Mutual introduced the coverage on April 20 of this year and by the end of the month had sold 327 policies. In May the figure was 5072, June 7402, July 8540, August 10235, and September 10735. The latter represents 7 1/2% of Motorists Mutual policyholders carrying BI, and this is increasing.

Mr. Dressel warned that the whole concept of UJ can be destroyed if the claim problem is not handled correctly. If the coverage should be construed as against the policyholder, the purpose would be defeated and he said "the resulting howl may be greater than the present demand for compulsory insurance."

The UJ coverage offered by Colorado Farm Mutual Casualty differs in two points from most others, Mr. Cecil said. Most importantly the company does not require that the claim be contested by the defendant. He said if the default judgments are excluded, the coverage fails in its answer to the problem. The financially irresponsible and uninsured motorist has little to gain by going to court. Further, in most jurisdictions, the plaintiff must prove his damages when taking a default judgment and must also make a *prima facie* case as to liability of the defendant.

Mr. Cecil's company does not exclude payment of court costs.

To the criticism that UJ is making

some motorists carry the burden which rightly belongs to others, Mr. Cecil said the idea is to protect the insured and not the general public. Introduction of UJ should in no way weaken the efforts to improve and strengthen FR laws.

He said his company did not include the property damage feature because it was felt some policyholders who might not fully understand the endorsement would drop or fail to carry collision.

In his role as official pessimist on the UJ subject, Paul Erickson said he feels UJ offers some serious problems and the business is attempting to solve the uninsured motorist situation in a controversial manner.

Mr. Erickson said one of his objections is the cost of UJ. It is an added burden on the already insured motorist, he remarked, and even if the coverage is given away the objection cannot be answered. Losses paid under

(CONTINUED ON PAGE 31)

### Suggests Car Tag Instead of Dirty Driver Name

Henry Vanderbeek, underwriter of Western Casualty & Surety, writes:

I have followed with considerable interest THE NATIONAL UNDERWRITER'S effort to coin an objectionable name for the so-called bad driver. Interest seems to have dropped off as I have not seen anything in the most recent issues on the subject, so I am inclined to offer a suggestion that I believe would be more effective than name calling could be.

Why not brand the automobile with a special tag that could be placed on a license tag, showing that this automobile had been involved in an accident for which the driver had been responsible, careless driving, drunken driving and the many other offenses too numerous to mention. This tag should be placed on the automobile by a law enforcement officer under the

direction of the traffic judge and the period of time it must be so prominently displayed on this automobile would also be determined by the court and removed only by a law enforcement officer. If removed by the driver or owner of the automobile an additional penalty could then be assessed.

Admittedly, a plan of this kind would require a great deal of planning and groundwork before it could be put into motion, but I am convinced that it would be most effective. For example, should favorite son Johnny come home with a tag of this kind on his automobile, I am sure that it would hurt father worse to have to drive the automobile for a period of time with this brand on it, than to have to pay a meager \$10 or even \$25 fine for his son. It, in all probability, would result in Johnny's being "grounded" for a longer period than the brand would be required to remain on the family automobile.

Further, such a brand would be recognized by all the public, rather than the few acquaintances of a violator who would dare address him with any name that may be coined.

The foregoing suggestion is made only in the interest of public safety.

### Job Caused Cancer, Not Cigarettes

Widow's workmen's compensation payments totaling \$10,000 were awarded the widow of a Providence man who died of lung cancer after the court ruled that the illness was not induced by smoking cigarettes but by breathing soot and dust in the boiler room in which he worked at Providence Gas Co.

Mrs. Mary Yaremchoak will receive WC payments of \$16 a week for 600 weeks and \$500 burial expenses. Testimony had been given that cigarette smoking was as likely a cause of the cancer as the man's work, but the judge said he was satisfied that while smoking may have contributed to the disease, the man's long occupational exposure to coal dust and soot was a proximate cause of his contracting lung cancer.

### Employers Group Awards Driving Oscars

Left to right: Gerald R. Williams, president Williams Baking Co.; three driver salesmen (representing the actual recipients), and C. A. Gaulin Jr., safety engineer of Employers and William Lonsdorf, Scranton safety director.



Employers' group Oscars for safe driving have been awarded to three Williams Baking Co. drivers in Scranton, Pa., for 20 years of safe driving. The awards were made at a banquet in honor of the company's drivers and their more than two million miles of safe driving. Four drivers with a total of more than 90 years of accident-free driving were especially honored.

William Lonsdorf, Scranton safety director, presented the trophies. C. A. Gaulin Jr., safety engineer of Employers, and Gerald R. Williams, president of the company, participated.

## LEADERS ALL

## 21: ROBERT FULTON



ROBERT FULTON (1765-1815) The motto of this American inventor of the first commercially successful steamboat was, "If you see a need, find out how to supply it."

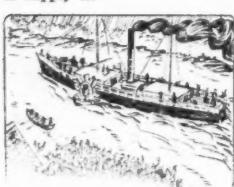


IN ADDITION TO HIS INVENTION of the steamboat, he invented many other things used in canal transportation, and in submarine warfare. He stimulated greatly all travel by water.



BORN IN PENNSYLVANIA, as a boy he invented a much-needed lead pencil, household utensils and skyrockets for a town celebration. He became later a recognized artist.

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## NEWS OF FIELD MEN

### Great American Opens Jackson Field Office

Great American has opened a field office in Jackson to supervise Mississippi business. Special Agent Egbert Schoone, who has been associated with Special Agent Harry G. Spaulding Jr. in New Orleans, has been transferred to Jackson. His headquarters will be in the Lamar Life building.

Mr. Schoone has been with the company several years in the home office and the field.

H. Stevens, Hartford Fire, and Howard F. Sargent, New Hampshire, were appointed to study the present constitution of the club for possible revision and to report their findings and recommendations at the December meeting.

Rene Coirin Pearl group, Ray D. Houlihan Jr. of Automobile, Vincent Pierce, adjuster of the Harold Holt Co., David Taxter of North British and Frank R. Fischer of Phoenix of London, were elected members. Two new field men, Louis Moulton, Boston and Old Colony, and Frank Velhage, Aetna Fire group, were proposed as new members.

### Loyalty Group Promotes McLachlan, Powell to Ida.

N. William McLachlan, state agent at Boise for Loyalty group, has been named district manager in Utah and eastern Nevada with headquarters at Salt Lake City. He succeeds Decker Little, who has resigned.

Succeeding Mr. McLachlan at Boise is Arnold Powell, who will be state agent for southern and eastern Idaho with headquarters at Boise. He has been special agent at Salt Lake City.

### Robert Johnson to Ohio Territory for Aetna Fire

Aetna Fire group has appointed R. K. Johnson as state agent in southwestern Ohio to replace John E. Young, who has resigned. He will have headquarters at Cincinnati.

Mr. Johnson has been with Aetna since 1944, most recently as state agent in charge of northern Illinois. He started in insurance in 1921 with Illinois Inspection Bureau, and in 1928 went into field work.

Aetna has promoted T. W. Robertson, special agent, to superintendent of the Cincinnati marine department.

### Foley Named in Oregon By Scottish Union

Charles B. Foley has been appointed Oregon special agent by Scottish Union & National. He was with Oregon Rating Bureau for the past three years.

### Schedule Ind. Inspections

INDIANAPOLIS—Members of the Indiana Fire Prevention Assn. inspected Lafayette and West Lafayette Nov. 9-10. The speaker was Robert F. Hamm, public relations director and director of fireman training for Indiana Rating Bureau.

### Albany Field Club Meets

At the October meeting of Albany Field Club President John Wetzel, Home, announced committee chairmen for the year. Vice-President M. G. Knapp, Royal-Liverpool, said that Conference of Special Risk Underwriters has speakers available for field and local agent meetings. The speakers, experts in such coverages as U&O, earthquake, explosion and sprinkler leakage, will be supplied through Eastern Underwriters Assn.

Three new films have been added to the field club's film library.

R. O. Reid, North British group; John A. Barnes, St. Paul F. & M., and J. R. Ryan, New Hampshire group, were elected to represent the club at the first meeting in Syracuse of the conference committee of the New York state field clubs. This organization takes the place of the disbanded Underwriters Assn. of New York State.

A committee of three, Lawrence Newman, Commercial Union, Arthur

H. Stevens, Hartford Fire, and Howard F. Sargent, New Hampshire, were appointed to study the present constitution of the club for possible revision and to report their findings and recommendations at the December meeting.

Rene Coirin Pearl group, Ray D. Houlihan Jr. of Automobile, Vincent Pierce, adjuster of the Harold Holt Co., David Taxter of North British and Frank R. Fischer of Phoenix of London, were elected members. Two new field men, Louis Moulton, Boston and Old Colony, and Frank Velhage, Aetna Fire group, were proposed as new members.

### Fireman's Fund Has Several Field Changes

William Grindell, special agent of Fireman's Fund group at Stockton, Cal., has been transferred to New Mexico, with headquarters at Roswell. He will serve as multiple line agent in the field there, and will be associated with Charles Stopher, adjuster.

Mr. Grindell began with Fireman's Fund in 1949 as an underwriting trainee, and two years later was named assistant examiner. In 1953, after field training, he was named field assistant at Stockton, later becoming special agent there.

Fireman's Fund is setting up new field facilities in Montana, and has named Allan Cobbe special agent at Albuquerque, as field man in the eastern part of the state with headquarters at Billings.

Kenneth Burrell, manager at Helena, will continue to handle multiple line activities in the western part of the state, and Roy E. Jorgensen will continue as hail special agent in that territory.

Mr. Cobbe has been with Fireman's Fund since 1949 when he started as a trainee. He was sent to Albuquerque in 1951, becoming special agent the following year.

Three marine special agents have been appointed in the western department of Fireman's Fund. They are: J. R. Geddes at Milwaukee, where he will supervise marine operations for Wisconsin associated with Henry L. Mauriton, state agent; R. S. Brach at Nashville, supervising Tennessee in association with state agent Richard E. Bolling, and E. L. Thorpe at Chicago, servicing Cook county associated with Frank B. Long, Cook county marine superintendent.

### Cherokee Appointments

Cherokee Ins. Co. has appointed Sidney Burnett state agent for Alabama with headquarters at 627 Frank Nelson building in Birmingham. He was formerly with Crum & Forster.

Charles Barksdale, has been named to represent Cherokee in eastern Kentucky and eastern Tennessee. He was formerly with the Tennessee Inspection Bureau. His offices will be at 206 West Clinch avenue, Knoxville.

### Harper Special Agent

Employers' group has appointed Warren J. Harper fire special agent for Ohio, with headquarters in the group's central department at Columbus.

### Wis. Field Men Honor Knox

MILWAUKEE—Edwin H. Knox of Phoenix of Hartford was honored at the annual past president's dinner of

Wisconsin Fire Underwriters Assn. held in conjunction with the quarterly meeting of the field men. Mr. Knox was presented a plaque. The meeting, under the direction of President John A. Nelson of the Home, members heard the reports of standing committees.

### King Is Employers Special Agent in New Jersey

Employers group has appointed Vincent J. King special agent in northern New Jersey with headquarters at 24 North Munn Avenue, East Orange. He joined the group in 1950 as a casualty underwriter. After service in the marines in Korea he rejoined the group in 1954 and attended its school for underwriters and special agents. Since May he has been an underwriter in New Jersey.

### Burt Derrick Joins Agency

Burt Derrick has resigned as Oregon special agent for the Home to join the Rushlow agency in Hillsboro as manager.

### Dennison Takes Over N. M.

Dwight A. Ohlinger, who has been traveling the New Mexico field for the

Braerton, Simonton, Brown general agency of Denver, has resigned to go into a local agency, and Paul Dennison has been appointed to the New Mexico field. He has been with the general agency for five years and will make his headquarters in Albuquerque.

### Inspect West Plains, Mo.

WEST PLAINS, MO.—Missouri Fire Prevention Assn. staged a town inspection here Nov. 3 under the sponsorship of the West Plains chamber of commerce. Joe Fetter of the University of Missouri, chairman of the fire equipment committee of the association, presented a talk and demonstration.

### James Foley Joins L. & L.

James Foley, formerly a claims adjuster for Farmers Exchange at Eugene, Ore., has joined London & Lancashire as special agent in the Portland office.

### Inspect Walla Walla, Wash.

Members of Inland Empire Fire Underwriters Assn. inspected Walla Walla, Wash., under the auspices of Walla Walla County Assn. of Insurance Agents.

### North British Changes In W. Va. Field

B. J. Weisgerber, special agent of North British group, now will confine his duties to the West Virginia field headquarters in an advisory capacity. He has been in ill health the past year. William L. Ferguson has been named state agent with headquarters with Mr. Weisgerber at 308 Laconia building, 1144 Market street, Wheeling.

Mr. Ferguson has had home office training with several years experience as a staff adjuster. Recently he was West Virginia special agent of Caledonian-Netherlands.

### J. T. Curran Joins Tachau Agency

James T. Curran, field representative of Ins. Co. of Texas at Louisville has resigned to become an engineer and production man for the E. S. Tachau & Sons agency there. Mr. Curran started with the Kentucky Inspection Bureau and has since had local agency and field training.

James I. Pippin has been appointed division underwriter at Atlanta for Liberty Mutual Fire. He started with the company in 1950.

### N. Y. Federation Plans Annual Luncheon Dec. 9

First steps in preparation for the Insurance Federation of New York annual luncheon Dec. 9 were taken at a meeting of the arrangements committee of that organization. W. R. Ehrmanntraut, American Surety, chairman of the executive committee, presided.

W. Irving Plitt, Atlantic Mutual, chairman of the luncheon committee, outlined plans for the luncheon. Also present were: Russell Edgett, secretary of the association; David S. McFalls, R. B. Falls & Son, vice-chairman; Clarence A. Borst, U.S. Casualty; Edward M. Brown, National Surety; Norman R. Clark, Travelers; Robert E. Curry, John F. Curry agency; Raymond P. Dorland, Davis, Dorland & Co.; Walter Jeffery, U.S.F.&G.; John MacDonald, Phoenix-Connecticut; Rankin Martin, Standard Accident; John H. Mears, Brown Crosby & Co.; Albert E. Mezey, Mezey agency; Robert H. Nichols, America Fore; Leonard O'Neil, Great American; S. T. Skirrow, Great American; Claude T. Spaulding, Aetna Casualty; Eldon R. Wallingford, Life Insurance Assn. of America, and Russell Wittpenn, Thorburn, Peck & Co.

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## NAII Panel Considers UJ Coverage

(CONTINUED FROM PAGE 27)

the endorsement must be passed on to the policyholder either as a direct or hidden premium. "It seems to me inequitable for the already insured policyholder to pay in order to finance the man who won't buy coverage and won't accept his responsibilities to society."

He said when UJ is charged for it is likely to give impetus to the drive for compulsory. Anyone who buys a liability policy and pays a premium represents being asked to pay an additional premium to insure the liability of someone who runs him down. After two or three years of this, he suggested policyholders might demand all drivers be compelled to insure their own liability. The resentment would be even greater where the premium is paid under the type of plan defending the wrongdoer in a questionable case.

Another difficulty is the placing of an insurer on both sides of a claim or lawsuit. Policyholders resent their own insurer resisting their own claims in favor of someone who won't pay the premium and won't have anything to do with insurance unless compelled to. "Since most cases involve questions of contributory negligence, our claim personnel will be compelled to make harsh decisions against their own people in a great multitude of cases. How will this add up in our public relations picture?"

"Enough inner conflict has shown to be inherent in this coverage to be a source of great trouble from here on in," Mr. Erickson remarked, saying he believes "enough distrust for the industry will develop from this type of coverage to fan the flames of compulsory insurance."

He pointed out that many interested in UJ have suggested that if the coverage doesn't run the business into compulsory, it might invite the development of a state fund. Especially could this be true if UJ is administered along the lines of the New Jersey law.

He went on to say that development of UJ "operates as a confession that our financial responsibility laws are a failure" in trying to eliminate irresponsible motorists. There hasn't been a serious attempt to implement the FR laws to make them more effective, Mr. Erickson remarked. There hasn't been an attempt to see what impoundment can do to drive some of these people into the insurance column.

One prominent insurance company counsel in New York has suggested that the New York law be amended to make mandatory that a motorist maintain at all times his financial responsibility. This is not supposed to be compulsory insurance because it is not necessary to carry a policy to establish responsibility. Mr. Erickson said, however, that he thinks it amounts to almost the same thing, and the suggestion follows in the wake of the development of UJ, and helps prove the point that UJ will cause agitation for compulsory.

Anchor Casualty has a schedule of payments for uncontested claims, K. M. Hough said. The insured and members of his household receive provable medical expenses and actual loss of wages for as long as a year, subject to the policy endorsement limits. Where the insured individual has no actual wage, a minimum of \$25 a week is provided, and death benefits amounting to average annual wage or a minimum of

\$1,300 are included. Anchor did not use the schedule for specific injuries as some companies do on the west coast because it felt this went into the A&H field.

The potential gains, Mr. Hough said, both to the industry and to the company, more than offset any disadvantage UJ might bring. He described these gains as satisfying a genuine need and demand for this type of coverage, and combating the continuing pressure for compulsory. He read a letter from the Iowa department on the matter of UJ, which said:

"Inasmuch as several other endorsements of a similar nature have already been presented to this department, which has approved several, this matter was deemed of utmost importance. We believe our legislature which convenes in January of this coming year, will, no doubt, be presented with some type of compulsory insurance laws, such as are enforced now in New Jersey and pending in New York. It is our intention to present evidence to the legislature that the companies are taking care of the problem of uninsured motorists themselves without the necessity of legislation. Hence, it is our feeling that these endorsements are a necessity and we want to make absolutely sure they are in the interest of the insured."

UJ brings forth the necessity for a whole new technique of claim handling, Mr. Hough said. When an Anchor Casualty policyholder purchases UJ, the claim personnel is instructed to make a more comprehensive investigation at the time of accident. Statements from the insured should contain information about injuries to himself and all members of his immediate family. There must be a history as to employment and probable earnings, and the driver and owner of the other car must be contacted quickly. If the other driver cuts off the adjuster with some remark about his own insurance company, Mr. Hough said, "he can almost breath a sigh of relief and go back to investigating the claim normally."

There is a natural concern over double insured, but Mr. Hough said he doesn't believe UJ will increase this in intensity. However, the claim men, at least for the present expect an increase in litigation, because UJ will provide another source of funds for payment of verdicts. When UJ becomes more common, the sympathy for a defendant unable to pay might tend to disappear. Actions wholly groundless or with little merit might be encouraged. The insured has nothing to lose, and once he starts an action, one of the best defenses is the counter claim, so the insurers may have more cases to defend under BI. These elements may increase adjusting costs and add some to the losses under the BI portion.

W. A. Brooks of Oregon Automobile confined his remarks to the Oregon problem, mentioning that two years ago a bill was introduced there to provide a UJ fund operated by the state and financed by adding a 50 cent charge to each driver's license. This almost passed, but when it was defeated, certain company men said that within two years the business would present a plan to cover innocent victims. The Oregon agents have passed a resolution saying if the companies fail to come out with a plan, their own

attorney will introduce an unsatisfied judgment bill.

At first it was felt the UJ endorsement might be the answer if all companies used it, but in Oregon only three companies are doing so and they write only a small part of the business. Mr. Brooks said in his opinion Oregon will wind up with a fund of some kind financed by the companies and administered by them, but at the same time it should be insisted upon that the FR laws are strengthened to a point where there is 95% coverage. Then a fund for

innocent victims will be a small burden.

## Klumpe Is Special Agent

Franklin A. Klumpe Sr. has been appointed special agent in eastern Pennsylvania, Maryland, Delaware and New Jersey for Grain Dealers Mutual. He succeeds Roy R. Allsopp who is entering the agency business at Waynesboro, Pa. Mr. Klumpe is a graduate of Indiana University and before being recalled to military service was a casualty underwriter with Liberty Mutual in Chicago.



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## Department of Labor to Work Up "Ideal" WC Act

(CONTINUED FROM PAGE 13)

premises in the ordinary way, the specific coverage of newsboys in Wisconsin, the coverage of independent contractors offering primarily personal service as in Oregon, Washington, Colorado and Wisconsin. Also, the provision that notice and claim periods run only from the time the claimant knows the nature of his condition and its relation to the employment, as in Wisconsin; and the rule that declarations of the

deceased can support an award if there is any corroboration, as in New York and several other states.

The model act would also isolate and expose occasional bad provisions that occur in some states. These might include such things as restrictive definitions of injury, such as requiring traumatic injury and the like; defenses such as assaults for personal reasons, or violation of law, or injury while

intoxicated regardless of causal connection, or culpable negligence; testing disability by subsequent earning capacity only in the same employment as in Michigan; or apportionment to prior disability as in Georgia, where a man who loses his second eye and becomes totally blind receives compensation for the loss of only one eye.

The objective is not primarily uniformity, it is the improvement of laws, he said. There can be no fixed uniform dollar figure for maximum and minimum benefits because of variations in the cost of living. But there might also be places where uniformity would be highly advantageous as in the clauses on extraterritorial application of statutes.

Above all an ideal act must not fall short of doing the most complete job it can do, he said. It must be as complete in coverage of employers and employees as is administratively feasible. This means getting rid of exemptions which have no administrative explanation, such as for charitable and non-profit employers, public employees, non-hazardous employments, small firms and the like. Agricultural coverage must be studied on the strength of the experience of states that have had some coverage.

The problem is entirely different with domestic workers and non-business employments, since it is doubtful whether such employers are within the basic philosophy and purpose of WC.

Coverage must be completely compulsory, he said. Election of coverage should be abolished.

Coverage of kinds of injury must be complete. Arbitrary exclusion of non-accidental injuries or diseases is out of place. Limitation of occupational disease coverage to listed diseases is inexcusable, he said. Mental as well as physical harms should be included.

Coverage of out-of-state injuries must be complete. The clauses must be so adjusted that no one can lose benefits because he falls between the acts of two states. Provision of medical care must be complete and complete provision should be made to facilitate physical and vocational rehabilitation.

Duration of benefits must be complete for the period of disability. The

principle of liability without fault should be complete and misconduct of the employee should not be a complete defense, but should be dealt with as a percentage penalty. Misconduct of the employer should not throw the parties into common law, but should also be dealt with by a penalty increase in compensation.

The problems that will face the makers of the act will be great, he pointed out. Among those that will arise, he anticipates, are how long the waiting period should be, what should be done about schedule injuries, can a better device than the schedule award be invented, what is the best kind of second-injury fund statute, what about non-disabling injuries such as partial loss of hearing and disfigurement, how shall disability be defined and measured?

The role of the Labor Department in such questions and their ultimate answers, he said, is to act as a sort of catalyst or clearing house. It is not trying to tell the states what should be in the acts, but only to help them give each other the cream of their experience and handiwork. And, as the operators of two of the largest compensation systems in the country, the federal employees' compensation act and the longshoremen's and harbor worker's act, the department is also interested in learning as much as it can about what ought to go into the best possible act.

## Seek to Bar 'Government Employees' as Fund Name

WASHINGTON—Government Employees Ins. Co., Government Employees Life, and Government Employees Corp. have asked the securities and exchange commission to prohibit a projected mutual fund from using the designation "Government Employees Mutual Fund" as being deceptive and misleading. The SEC said it would hold a hearing Nov. 16, considering not only whether the name would infringe on the insurance companies' good-will but also whether it might not imply approval of the fund or its activities by the government.

## Tex. Bankers Want Insurer Stock Sales Regulated

AUSTIN—State regulation and supervision of sales of insurance stocks were advocated by representatives of Texas Investment Bankers Assn. at a hearing before Gov. Shivers here.

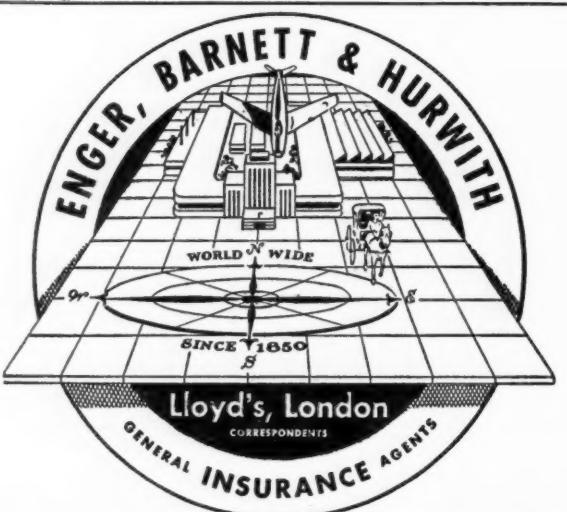
They were supported by two former secretaries of state and Garland A. Smith, chairman of the Texas board of commissioners. Similar proposals offered to the 1953 legislature were defeated, following opposition by representatives of insurance companies.

## Tampa Agent Gets Big Bridge Coverage Award

H. L. Crowder, Tampa local agent, has been awarded the bridge coverage policies on the new Sunshine skyway. Total premium will be \$155,000 for the three-year policy. The state road department also canceled and renewed for another three years a policy Mr. Crowder holds on Pensacola Bay bridge which would have expired in June.

Premium on the Pensacola bridge is \$22,496 and the road department will get a credit of \$6,883 for the unexpired portion of the earlier policy.

Massachusetts Bonding has declared an extra dividend of 30 cents in addition to the regular quarterly 30-cent dividend, both payable Nov. 15 to stockholders of record Nov. 4. This brings 1954 payments to \$1.50 a share.



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## Associations Protect Individual, Company Right to Assume Risk

The right of the individual to be responsible for himself, the right of the private insurance company to protect him in fulfilling this responsibility, and the function of trade associations in guarding these rights, were discussed by Charles T. Houston, assistant manager of the U. S. Chamber of Commerce insurance department at Insurers of Tennessee convention in Memphis.

The chief peril he said, is the trend toward relinquishment of individual responsibilities and the assumption of these by the government. In listing government activity in the insurance field Mr. Houston distinguished between the government's legitimately assuming those risks for which it is responsible and extension of government action into the proper sphere of private enterprise.

Examples of valid government responsibility are insurance for servicemen and veterans, insurance of war marine risks, and similar enterprises beyond the scope of private action.

A minimum of old age and survivors benefits is socially desirable and should be provided by the government, Mr. Houston said, but the recent extension of coverage and raise in benefits extrude into the domain of private risk insurance. That organized labor may seek an increase in the wage base for benefits and taxes to \$6000 is an indication of this trend, as is the convention on standards for social security proposed by the International Labor Organization. In addition, labor unions will also ask for direct total and permanent disability benefits effective prior to retirement age under the social security system. This would be nothing less than government assumption of A&H risks.

In business since 1938, Federal Crop Insurance Corp. has lost four-fifths of its original capital. Since 1947, at Congressional insistence, insurance knowledge and responsibility has been applied and operations have been on a more conservative basis. Although this government corporation comes into conflict with private insurers at some points, companies can meet its competition if it is forced to follow sound underwriting practices and pay its own expenses.

In effect, Commodity Credit Corp. underwrites its own insurance, for if a loss occurs on a commodity in storage which is collateral for a CCC loan, the amount of loss is simply written off the books. Is this form of collateral insurance by the lender a proper function of government, Mr. Houston asked.

A new threat to private insurance is the entry of foreign government-owned insurers into the U. S. In addition to the Montana litigation to revoke the license of Saskatchewan Guarantee & Fidelity, owned by the Canadian province of Saskatchewan, a public hearing will be held in Florida next month on the question of licensing an insurer owned, controlled, or both, by the government of France. The U. S. Chamber of Commerce has appointed an insurance subcommittee to investigate this development.

## Discuss Uniform Accounts

State insurance supervisors cannot ascertain whether policyholders are being treated in a fair and equitable manner unless insurers conform to a uniform system of reporting their in-

come and expenses, Howard F. Novitt, senior examiner of the New York department, told the second session of the department's in-service training course.

Mr. Novitt spoke on the history, purpose and scope of uniform accounting and Maxwell Livshin, associate examiner of the department, presented a theoretical illustration of uniform accounting in property lines.

The five basic steps in setting up such a system, Mr. Livshin said, are preparation of an organization chart showing the general plan of supervision, making analysis of departmental activities, drawing conclusions regarding applicable bases of expense allocation, making the bases, and application of the bases to the actual expenses.

## NEWS OF AGENTS

### Nine California Agents Associations Elect Officers

LOS ANGELES—Officers recently elected by local agents associations, affiliated with the California Assn. of Insurance Agents include:

BEVERLY HILLS—President, Sam Neel; vice-president, Thomas McManus; secretary, Mrs. Onna Y. Browne; treasurer, Earl McDonald. EDEN TOWNSHIP—President, William H. Francis, Hayward; vice-president, John M. Buckingham, Castro Valley; secretary-treasurer, David Carter, Castro Valley. INGLEWOOD—President, Warren E. Gardner; vice-president, Emmet Davis; secretary-treasurer, Edna E. Davis.

MERCED COUNTY—President, Keith Winton, Livingston; vice-president, Danny Bambauer, Los Banos; secretary, Al Dibble, Merced. PLUMAS COUNTY—President, E. G. Leonhardt; vice-president, Mrs. C. M. Chamberlain; secretary, D. W. Geil, all of Quincy. SAN BERNARDINO—President, Emeric Prokop; vice-president, Dana H. Weaver; secretary-treasurer, Norris V. Choisnet.

SAN JOSE—President, Walter L. Jensen; secretary-treasurer, Thomas B. Kennedy. SANTA BARBARA—President, James W. Norris; vice-president, Lawrence T. Day; secretary-treasurer, George H. Squires. SONOMA VALLEY—President, Robert A. Miller; vice-president, J. A. Baccaglio; secretary-treasurer, L. E. Castner.

### 200 Agents at Ky. Regional

In a full-day session at Newport, northern Kentucky insurance men got the basic facts on the earnings form, installment premium calculation, package policies and broad and all physical loss dwelling forms. The affair was sponsored by the Northern Kentucky Insurance Agents Assn. and drew close to 200 persons.

Instructors were representatives of Kentucky Fire Underwriters Assn. The committee responsible for the day's activities consisted of T. R. Berger and Paul Humpert, both of Covington, and William Simpson, Newport.

Orville Noel, Covington, president of the Kentucky board, spoke briefly.

### Va. Local Board Rally

Virginia Assn. of Insurance Agents conducted a conference of local boards from over the state Nov. 3 in Richmond. In addition to presidents of local boards, there were on hand chairmen of state association committees whose work deals with public relations. Objective was to create a closer coordination of state association and local board activities on similar subjects.

A feature of the conference was the annual governor's driver-training award luncheon, sponsored by the state association, at which Assn. of Casualty & Surety Cos. presented a plaque signifying the progress of the driver-training program in the high schools of the state.

### New Jersey Agencies Combine

The local agencies of Mintz & Co. of Kearny and G. P. Mahler of South Orange, N. J., are combining as Mintz & Mahler, Inc. Offices will be located at 21 South Orange avenue, South Orange, and 539 Kearny avenue, Kearny.

The principals in the combined organizations are Isidor Mintz, George

P. Mahler, Walter B. Mintz, and Charles W. Girgan of Orange, secretary of the new corporation.

Mintz & Mahler will operate in the life and general insurance field while Mintz & Co., established in 1925, will continue to specialize in real estate.

### Joins American Home Agency

John Burns has joined the American Home general agency in Portland as Oregon special agent following his resignation as special agent for Walter J. Pearson & Co. Prior to his association with the Pearson agency, Mr. Burns was with the Oregon Insurance Rating Bureau three years.

### Flynn on Jaffe Forum Nov. 9

Frederick J. Flynn, New York City agent, was the main speaker at the Jaffe agency fall forum Nov. 9 in New York City. His talk was on selling through surveys. Others on the program were J. George Kaplan and Sidney Bloomgarden, New York City agents, and John B. Walker of Fidelity & Casualty.

### Honor Agency's 50th Year

A plaque in recognition of 50 years of representation of Ocean Accident

has been given Abram L. Kirstein, president of Louis Kirstein of Sons agency of Bangor. The agency was the first Maine office of the company.

### Cambridge Agents Elect

New officers of Cambridge (Mass.) Assn. of Insurance Agents are Jack Dyer, president; Philip R. Perkins, vice-president; and W. D. Wood, secretary.

### Clallam County Agents Elect

The Clallam County (Wash.) Insurance Agents Assn. has elected Arthur A. Smith president. Also elected were Merton D. Davis, vice-president, and Sydney C. Tozier, secretary-treasurer.

### Peru Agents Elect Jim Woods

Peru (Ind.) Assn. of Insurance Agents has elected Jim Woods, president; George Wolf, vice-president, and Leora Porter, secretary-treasurer.

### Flint, Mich., Agents Elect Lake

FLINT, MICH.—Paul Lake was elected president of Flint Assn. of Insurance agents, succeeding Gordon Dow. Others elected are Louis Selesky, vice-president; Howard Edgecombe, secretary, and Thomas Gibbs, treasurer.

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Independent adjusting firm in Chicago has opening for an inland marine adjuster with minimum of 5 years experience in Chicago. This is an excellent opportunity with a splendid future for right man. Replies confidential. Address B-75, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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Northwest Detroit Agency wants present or former fieldman to manage office. Only ambitious, dependable and well qualified need apply. State salary required as well as insurance background. Box B-80, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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We're a small midwestern company and we want a top-notch man to get in on the ground floor and grow with us. Man we seek need not have years of experience but he must be high calibre. Send details in confidence to B-71, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### Allstate Approved in Ark. for Fire, Refiles in Wash.

The Arkansas department has approved the fire filing of Allstate at rates approximately 20% below the bureau. This is the same filing, in substance, that has been approved in about 30 other states, covering dwellings only, except in Arkansas the department did not approve the continuous policy, and Allstate filed a form which can be written for a term not exceeding five years.

In Washington, where Allstate's filing has been rejected by the department, the company has submitted a request for reconsideration. The department said there was not enough supporting data, and it is understood the company has now put in some statistical information based on the experience of participating fire companies operating in Washington.

### Cincinnati Agents Air

#### Multiple Line Laws

(CONTINUED FROM PAGE 10) over the rating methods which might come with ML. The insurance department simply does not have the "police force" which would be necessary to watch this, he said.

During a question and answer period which followed the talks, T. W. Earls, Cincinnati, said he finds agents in other states pleased with the homeowners policies, one of the contracts which lack of ML outlaws in Ohio. Mr. Earls, who is president of National Assn. of Casualty & Surety Agents, said he believes rural agents have been given "a lot of double talk" by one or two people. Opponents of ML are getting to the legislators, he said, and agents should go to their own representatives and senators.

Among the guests were a number of company men who, on a suggestion from the floor, expressed their attitude on ML. J. I. Scott, vice-president of Ohio Casualty company, said he is vice-chairman of the Stock Companies-Agents Insurance Conference Committee—popularly known as the "McVay committee" because of its chairman, C. D. McVay, president of the Ohio Farmers companies. This committee, in continued liaison with a committee of

### FIRE LOSS SUPERINTENDENT

Wanted—Experienced man with knowledge of procedures and coverages. Capable of taking complete charge of small Loss Department. There is an excellent future for a man in the 28 to 38 age group. Write in confidence giving complete information regarding your background and qualifications to:

Glen Marcum  
THE OHIO INSURANCE COMPANY  
Hamilton, Ohio

mutual people, presents a united front against the small, organized and powerful anti-ML forces. With one exception, Mr. Scott said, Ohio companies are for ML. He was obviously referring to Buckeye Union, whose president, F. E. Jones, has been a vociferous opponent of ML.

Mr. Scott discounted the fears expressed by Mr. Elchhorn that captive agents would get new blood from ML. If there were any such elements in the proposed bill, he said, some of the companies which now present a solid pro-ML front would undoubtedly be alienated.

R. B. Devore, Cincinnati, manager of Hartford Accident, also a member of the McVay committee, said there is a terrific inevitability about this legislation. Other company men who identified themselves as members of the committee were C. H. Sanders, Cincinnati, resident vice-president of American Automobile, and O. P. Rufing, Columbus, Travelers.

A. M. O'Connell, NAIA executive committeeman and a past-president of both the Cincinnati board and the Ohio association, served as moderator.

### Insurance in the Saar

WASHINGTON—Exchange of correspondence between French Premier Mendes-France and German Chancellor Adenauer, incidental to the signing of the new Franco-German agreement on the Saar, provides that "competent" French authorities are to deal "in a spirit of cooperation" with applications by German insurance companies to open branches in the Saar.

### Huling IM Special

Ray G. Huling has been named inland marine special agent of Great American in New Jersey and Connecticut to succeed Davison DeCamp who has transferred as special agent to Westchester county, N. Y. Mr. Huling, whose headquarters will be in the inland marine department at 89 Maiden Lane, New York City, has had experience in all phases of marine.

The C. P. Smith agency of Sutherlin, Ore., has been purchased by C. A. Petherick, Petherick agency, of the same city.

### FIELDMAN — ST. LOUIS AND ST. LOUIS COUNTY

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# ACCIDENT AND HEALTH

## Mutual, Omaha, General Agents Elect Juergens

C. H. Juergens, New York City, was elected president of the General Agents Assn. of Mutual Benefit H.A.&H. and United Benefit Life at its annual meeting in Omaha. He succeeds Roy Morgan, Atlanta.

V. J. Skutt, president of Mutual, and N. Murray Longworth, president of United Benefit, spoke of the growth of the companies during the past year, and predicted continued expansion in 1955. Mutual's claim payments now exceed \$587 million, Mr. Skutt reported.

Other association officers are C. L. Gurney, Cincinnati, 1st vice-president; B. F. Helmbrecht, Buffalo, 2nd vice-president; D. L. Acrea, Reno, secretary, and W. T. Halliday, Jr., Birmingham, Ala., treasurer.

Emerson Adams, executive vice-president, Gale Davis, vice-president, and Howard Dewey, assistant vice-president, discussed Mutual's general plans for 1955, which included expansion of the national sales training program.

Walter Kiernan, star of Mutual's "Greatest Moments in Sports" NBC television show, addressed the banquet.

## Agent of Non-Profit A&H Insurer Must Be Licensed

Licenses are required of agents of out-of-state non-profit hospital service organizations soliciting business in South Dakota, the attorney general has ruled. The question came up in connection with an Iowa hospitalization concern whose agents were seeking business in South Dakota. The attorney general also said the reciprocity, based on the present existing statutes between Iowa and South Dakota, is not contemplated.

## Elect Morris at Ft. Wayne

John W. Morris, Hoosier Casualty, was elected first president of the new Fort Wayne A & H association at its organizational meeting.

Hugh J. Jennings, Minnesota Mutual, is vice-president; Walter J. Johnson, National L & A., secretary, and Duane E. Lupke, Lupke agency, treasurer. All are of Fort Wayne. Speaker was William Coursey, managing director of the International association.

## Misidentify Group Health Assn.

Group Health Assn. of Washington, D. C., whose plans to eliminate a building assessment on members and to increase membership fees for new members were reported in the Oct. 14 issue, was erroneously identified as a Blue Shield organization. The Blue Shield plan in Washington is Medical Service of District of Columbia.

## Ohio A&H Men Meet at Toledo

Toledo Assn. of A&H Insurance Underwriters was host to the state association at a meeting, with President Parker R. Arnett of the state association presiding.

New developments in A&H were discussed by Harry L. Hill, Madison, N. J.; Harry K. Reid, Birmingham, Ala., and L. A. McKinnon, Flint, Mich., president of the national association.

## Hear Wheeler at San Antonio

John D. Wheeler, vice-president and general counsel of American Hospital & Life, addressed the October meeting of San Antonio Assn. of A&H Underwriters. He opined that current criticism of A&H companies is a prelude to an attempt to set up federal control of insurance.

## Non-Appearance of A&H Examinees Studied in N. Y.

The failure of prospective A&H agents to appear for the examination of New York insurance department after they have filed license applications is under consideration by the state advisory board of A&H examinations. Of the applicants notified April through September, 28% failed to show up. These non-appearances are costly and time consuming to the department as well as to the companies which sponsor the applicants, Walter F. Brooks, deputy superintendent, said.

Many prospective agents who fail to show are first time applicants, he said. This indicates they have not been thoroughly trained for the test by their sponsoring companies.

Members of the board have submitted many new questions designed to bring about a higher type of agent, better equipped to sell A&H, for the department's use on examinations.

The board serves in an advisory capacity on preparation, conduct and content of agents examinations for A&H. Chairman is J. F. Follmann Jr. of Bureau of A&H Underwriters.

## Milwaukee A&H Men Meet; Hear M. G. Olson

Maurice G. Olson, superintendent of agents of Continental Casualty at Milwaukee, spoke at the November meeting of A & H Underwriters of Milwaukee.

Dale B. Potts, president, announced plans for local participation in the International association's membership drive. Four cash prizes will be awarded agents with the largest number of new membership applications.

## California A&H Men Elect

Charles Wise, Continental Casualty, was elected president of California Assn. of A&H Clubs at the annual convention at San Francisco. The new vice-president is H. B. Murphy, Automobile Club of Southern California, and secretary-treasurer, Kenneth Stokes.

The 1955 convention will be held at Los Angeles.

## Plan DISC at Los Angeles

A & H Managers Club of Los Angeles has authorized a committee to complete arrangements for conducting a disability insurance sales course at the local university early in 1955.

## Blank Joins World, Omaha

Maurice A. Blank has been named assistant vice-president in charge of agency promotion for World of Omaha.

Mr. Blank served as an agent and in managerial positions for Metropolitan before being transferred to the home office educational department where he became field training supervisor.

## Kansas City Agents Set Dec. 7 for Annual Meet

Kansas City Insurance Agents Assn. will hold its annual meeting and election of officers Dec. 7. Speakers will include Joe Jackson Jr., president, and Terrence D. Noah, executive secretary of the Missouri association.

## Expect Repercussions on Insurance in Minn.

ST. PAUL—The election in Minnesota will have some repercussions on insurance. Indications are that the liberals will be much stronger in the legislature and may control the house, and as the insurance department was

brought into the campaign by some of the liberal candidates there may be bills offered directed at the department.

Orville Freeman, governor-elect, has announced that he will replace heads of several state departments. He did not specifically mention the insurance department. Commissioner Cyril Sheehan was appointed for a six-year term beginning Feb. 10, 1953.

Two senators who have headed important insurance committees for several years were defeated which means new committee chairmen in those cases. Raymond Jukowski, senate insurance committee chairman, and Mil-

ton Lightner, senate compensation insurance chairman, both lost out. However, George French, for many years chairman of the insurance committee in the house, was re-elected, but if the liberals take over the house there probably will be another chairman. Mr. French is secretary and counsel of the Insurance Federation of Minnesota.

A newcomer in the senate will be Leslie Westin, of St. Paul, a special agent of the Northwestern Mutual Life Insurance Co.

Insurance Women of New York City celebrated its 20th anniversary with a dinner Nov. 1. A business meeting preceded the dinner.



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CASUALTY  
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MARINE

## Hines Offers Tips to Help Meet Competition

(CONTINUED FROM PAGE 5)

more cheaply some of the work now being done by agents, with adjustments that would help meet competition, he asked.

Would continuous policies, with or without direct billing, help meet competition, he wondered. Would they hurt the agency system as many agents think they would?

In Tennessee, haven't farm department companies for 40 or 50 years been billing insured direct with no injury to the agency system? In Texas all companies take notes on all classes, city and country. They have been doing this for 25 or 30 years, billing insured direct without injury to the agency system. Direct billing may let the camel get his nose under the tent. But doesn't a hippopotamus have his big snout under it now?

The preceding suggestions are possibilities. Mr. Hines believes the following should be done:

Agents must know that this is the end of an era and should soon bring

forward a realistic plan, to cope with today's and tomorrow's competition. They must go all out in careful underwriting, avoid the undeserving and decline the leftover business of any insured who has given the cut-rate companies first call. Some agents do themselves and the agency system a great disservice by almost forcing companies to take risks that obviously increase the loss ratio and widen the spread between rates agencies offer and those of the selective underwriters.

Frills should be avoided and expenses held down, Mr. Hines said. Personal accounts are vulnerable to competition from direct writers. The buyer should not carry the burden of trying to find out who has what policy and if the loss is covered. Go after accounts, not policies. Agents need all of an insured's personal account to give real service. Do not leave him exposed to loss from insufficient insurance to value, or without insurance against loss from any insurable peril

to which he is exposed. Agencies must offer complete facilities.

Agents are especially vulnerable to attack the first year of each new policy term. Continuous policies would help here. The question of partial payments may need attention.

Be sure the rate is the lowest legitimate figure the rating schedule permits. Sell the insured on the value of agency service. Be sure to mention loss service of agents and companies in catastrophes, he advised.

The physical expansion of business is now horizontal. It is moving out. The agent with substantial personal account business, even in smaller cities, must consider establishing branch offices. Offices near supermarkets may be helpful. When insurance is sold in chain stores, the direct writer is offering one-stop convenience as well as price. Much as this convenience means to men, it means more to women, and more and more women are buying insurance on homes and automobiles. Agency service should be advertised continuously. TV programs may be worth while.

"Finally," Mr. Hines said, "if we are

able, energetic and adjustable, looking to the future, we should be encouraged by the knowledge that the demands of today and tomorrow are not beyond our capacity. They are a challenge to our judgment and our character." Even though rates decline, there will be much larger total premiums ahead than now. Companies and agents may have smaller margins, but satisfactory profits. Package policies, even though adjusted to individual need, mean mass production. They also mean a larger individual premium, and lower rates and lower expenses. They mean a better insured America, and that is the objective of the insurance business and agency system.

## Lumbermens Board Fetes New England Office

BOSTON—Directors and advisory board members of Lumbermens Mutual Casualty held their semi-annual meeting here as a tribute to the New England department, which is celebrating its 30th anniversary this year. Participating in the celebration was James Scott Kemper, U. S. Ambassador to Brazil, and chairman of the Kemper companies.

Activities in connection with the celebration were a meeting of the board of the Federal Mutual and a formal dinner attended by the directors of Lumbermens and other Kemper companies. Speakers at the dinner were Ambassador Kemper and Louis Bromfield, the noted commentator, author and agricultural leader, who is a member of the advisory board of Lumbermens.

Martin P. Luthy, vice-president of Lumbermens, heads the New England office.

## Warns of Federal Inroads in Insurance

Insurance is in danger of losing much of what was gained by the all-industry committee in reserving the right of states to regulate the business after the Supreme Court held insurance to be interstate commerce, C. F. J. Harrington, former Massachusetts commissioner, and now executive head of National Assn. of Casualty & Surety Agents, warned in a talk at a meeting of Boston Board.

No law is better than its administration, he reminded. The broad discretion given administrators allows such things as permitting non-members of rate bureaus to deviate from rates while taking advantage of the facilities and the expensive operations required by bureaus in establishing rates.

He also deplored the advances made under the present national administration in putting government into insurance, calling to mind the inroads in reinsurance, expanded social security, federal group plans and crop insurance.

## Allstate Open House at Pittsburgh

The new Pittsburgh office of Allstate, in the Remington Rand building, held a formal opening and open house, Nov. 9-10. Mayor David L. Lawrence was expected to be among the civic and business officials attending. Among company officers present were Calvin Fentress, Jr., president, Judson B. Branch, senior vice-president-field administration; Henry S. Moser, vice-president, general counsel and secretary; A. E. Spottke, vice-president-public relations; Robert B. Pelton, treasurer, and H. M. Mereness, vice-president-eastern zone.

## A. F. Montmorency Promoted

Mutual Benefit H. & A. has appointed Arthur F. Montmorency as regional director of sales training in the midwest and western states. He has been with the company since 1946 in the sales training division.



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## Maryland Agents Elect Rodney J. Brooks

(CONTINUED FROM PAGE 2)

Hazel. The bureau brought in 1,800 additional men from all parts of the country to man the emergency centers.

The problems that arise in a catastrophe include not only the thousands of losses to be adjusted, but the establishment of uniform prices that are equitable for the affected area. Transportation is a problem, also, he said. Since the first hurricane struck this year, GAB has given adjusters 500 additional cars.

The agent has an important part in the picture for he has sold a policy of indemnity, a promise of what will happen when the policy is called into play, he said. Many times agents want adjusters to make up the loss forms, he pointed out, but the agent not only can but should make out the complete detailed notice of loss. He asked agents to include a small statement of what happened, what was affected by the storm, such as TV antennae bent, roof blown off, windows broken, and the like.

He cited instances of agents making up a loss notice for every policyholder in their files and then retracting them if the client did not have a loss. Once in a while competition arises in loss adjusting and he asked agents to make an honest appraisal of the hardship cases and not call the adjuster out on a mere matter of business competition.

A great opportunity to make public relations contacts has come out of the 800,000 losses of the hurricanes. The business has the opportunity of either looking like a determiner of claims or a quick adjuster of losses. There must be shortcuts because of the huge number of losses, but the standards the business has set must be maintained. Despite the emergency conditions there must be no willy-nilly adjustments just to get rid of them, he said.

The agent is the primary public relations contact and in carrying out the business, he must not forget the integrity of insurance, he said.

There are three types of drivers. Edward Scheidt, North Carolina commissioner of motor vehicles, said in discussing effective highway safety enforcement. There are those who can't do better than they are at present; those who can do better, but won't, and those who can do better but don't realize how serious the problem of highway safety is.

The first group, he said, can be reached only through licensing and enforcement of traffic laws which will gradually eliminate them from the roads. The second group comprises 10 to 15% of the drivers and there is no hope that they can be converted. The only answer for them is enforcement of the laws and the knowledge they will kill themselves off in time, he said. The third group can be reached through public education, he believes.

The main problem with this final group is their attitude. The objective of any safety campaign should be to change it. He cited two examples of such attitudes. One, a letter from an irate father whose son had been arrested in North Carolina and fined on a charge of traveling 80 miles an hour. The son was in the army and was, the father wrote, in a hurry to get home. Mr. Scheidt said the department answered the letter by explaining that the arrest was made, not only because the boy was breaking the law, but because he was endangering his own life.

The other letter was from a New York executive who maintained that although he was clocked driving 68 miles an hour in a 55-mile zone, his average speed for the day was only 38 miles an hour and that he believed he would not have been arrested if he had not been driving an expensive car with an out-of-state license. The department refuted this argument in the answering letter. North Carolina makes no apologies for enforcing its laws, he pointed out.

Public opinion must be behind law enforcement and to obtain this, the public must understand it.

In obtaining its highway safety program, North Carolina aimed its enforcement program at substantial violations with the idea of securing compliance and then punishing if necessary. The real hope in the program is in raising the skills and attitudes in driving.

The program utilized the principles of psychology in enforcement. The average motorist doesn't want to be arrested, he said, so the state increased the percentage of unmarked patrol cars, introduced saturation patrol areas, and set up scientific speed controls such as radar and electronic devices. The program has brought a reduction in speeding violations and in fatalities.

The support of the public is overwhelming because the results have been so good. Fatalities have been reduced 16% after climbing annually for five years and the mileage death rate is the lowest in the state's history.

The future of the program must be in enforcement on a day to day basis rather than in "drives," and a further mobilization of public opinion.

The state has also resurrected a 30-year old statute which requires students in high schools to study the motor vehicle laws of the state. He said there was hope that behind the wheel driver training courses could be expanded, but with this educational plan, the students will know the laws when they begin to learn to drive. The governor's safety council has also been reactivated and the state is planning 57 films on highway safety which will be available to all public and civic groups.

During other sessions of the convention, the National Board film, *The Wind and the Fury*, depicting catastrophe losses in tornadoes, and a sound slide film produced by Home, Agents Community Relations, were shown. The Home film, introduced by Randolph Church, assistant secretary of the company, is one of a series being made available to agent groups. It delineated public relations ideas agents can use in community relations, including Fire Prevention Week, cleanup week, safety campaigns for school children and adults, safety patrols, auto safety drives, driver training activities, adult education on elements of insurance and joint advertising campaigns by all agents in a community.

A special guest at the convention was Joseph A. Neumann of Jamaica, N. Y., president of National Assn. of Insurance Agents.

Companies that were hosts at a cocktail party Nov. 4 included American Bonding, Fidelity & Deposit, North America, Maryland Casualty, New Amsterdam Casualty and U.S.F.&G.

Commissioner Jackson installed new

officers after the banquet that followed the cocktail party. Frank Shramek of Baltimore presided at the banquet and J. George Eisenberger, also of Baltimore, was toastmaster. There were vocal selections by the Victor Herbert ensemble and a banjo duet by Bill and Jay Leonhart, sons of W. Harold Leonhart of Baltimore.

A special luncheon and fashion show were held for women attending the convention. Frank Shramek was in charge.

## To Continue Carson Pirie Insurance Desk

(CONTINUED FROM PAGE 1)

automobile, household fire, theft, fur, jewelry and hospital insurance in that order. There have even been sales of life insurance, and Mr. Wood remarked that the department is equipped to sell all kinds of insurance and to provide Carson's customers with a complete insurance program.

The Childs & Wood desk is staffed by three persons. It is located on the 6th floor of the department store in the customer service center which includes also the cashier department and a travel desk. All of the sales are made at the desk, and about half of them are to women.

Although most of the business is on the basis of a customer coming to the desk and inquiring about coverage, there has been a certain amount of business acquired by referral of a customer to a friend.

## Navarre-Martin Confab Postponed Again

LANSING, MICH.—Latest development in the argument between Auditor General John B. Martin and Commissioner Navarre of Michigan is a further postponement of the conference to iron out differences. They will meet November 24.

Martin, a persistent critic during the election campaign of the handling of the unlicensed insurers problem in the state was defeated for reelection in the sweeping Democratic victory there. The commissioner was an appointee of Governor Williams, reelected on the Democratic ticket.

Martin, who claims the unlicensed insurer operations have been depriving the state of premium taxes, said the latest postponement is to provide Commissioner Navarre with time to prepare to answer charges and to permit more study of the situation.

Speakers at a dinner meeting of Zanesville (O.) Insurance Women were William Murphy of the Globe and Rutgers and Paul W. Down of Commercial Union group who reviewed broad form 49D.

## Trinity Universal Gives 33% Stock Split

Trinity Universal directors have declared a 33 1/3% stock dividend, subject to approval of stockholders at the annual meeting Jan. 8. It was the third stock dividend voted by the company during the past two years. The three increases will result in raising the capital from \$1 million to \$2 million. The dividends have been paid from surplus earnings.

The directors also declared an extra cash dividend of 50 cents, payable Dec. 20 to stock of record Dec. 1.

T. B. Trotter of Houston was elected a director of Trinity Universal and its wholly owned affiliate, Security National Fire.

The name of Security National Fire, wholly owned affiliate, has been changed to Security National Ins. Co.

The directors also increased the capital of security from \$500,000 to \$1 million and broadened the charter powers of the company to authorize the writing of multiple lines.

## Liberty Bell Mutual Ordered Dissolved

The court of common pleas of Dauphin county, Harrisburg, Pa., has ordered Liberty Bell Mutual dissolved Nov. 15. Commissioner Leslie was directed to liquidate the company's business.

Mr. Leslie cautioned the company's policyholders that all policies will be cancelled automatically Nov. 15. Policyholders were warned, therefore, to arrange immediately for insurance from other insurers.

The court order fixed next May 15, as the last day for filing proofs of claim against the company. All persons having claims against the company must file their proofs of claim with the liquidation division, Pennsylvania insurance department, room 810, 1518 Walnut street, Philadelphia, not later than that date.

Liberty Bell Mutual was a Pennsylvania mutual fire insurer and formerly maintained its principal office at 6803 Emlen street, Philadelphia.

## Sedro Woolley Wash. Inspected

The Washington Fire Underwriters Assn. inspected 158 risks in Sedro Woolley. Frank R. Norman, United Pacific, and James P. Goodfellow, Hartford Fire, were co-chairmen of the inspection. Jay Stevens, assistant manager, National Board, addressed a luncheon held in conjunction with the inspection.

FOR MORE THAN A QUARTER CENTURY

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## Insurers Challenge FTC on Jurisdiction

(CONTINUED FROM PAGE 1)

Assn., but is a member of Federation of Commercial Travelers Companies.

The answer further states that Travelers Health pays claims fairly and maintains a loss ratio higher than the national average.

The company told FTC it will be ready to proceed with hearings on the appointed date, Dec. 15.

In Washington, the official information from FTC is that it has granted extensions of two weeks to some companies for filing answers to the complaints beyond the normal 20 days from the time the company received notice of complaint. These companies are Commercial Travelers of Utica and Reserve Life of Dallas, extended to Nov. 26, and Southern National to Nov. 24.

A number of other companies have asked extensions, but action on such requests is up to the hearing examiners

assigned to the respective cases. Examiner Loren Laughlin, to whom a number of cases were assigned, is out of the city, and it is understood he has not acted on extension requests from some of the companies assigned to him. Among those who have asked Laughlin, who is a former Nebraska commissioner, for extensions are United of Chicago and Bankers Life & Casualty of Chicago. Both companies have filed a general appearance and asked for 14 days additional in which to file an answer.

Up to Nov. 8, no action has been taken by Mutual Benefit Health & Accident, either as to an extension or as to an answer, it is understood.

Hearings already set probably would be postponed or continued in those cases in which motions are submitted to dismiss and raising the jurisdiction problem. The FTC must decide the jurisdictional issue and presumably will do so in its own favor, and then the insurers have the option of appealing to the courts.

Insurance attorneys in Washington believe the FTC would probably like to have one or two cases selected for hearing as tests under the agreement that all companies would abide by the final decisions in the litigation, for example on the jurisdictional issue. This would reduce the expense to the companies and shorten the period of litigation.

FTC, it is understood, has four jurisdictional issues it would like to have decided. There is the question of an insurer licensed in one state and doing an unlicensed business in others, for example, or companies operating by mail only, through the agency system, companies licensed in several states, etc. Thus the challenge of jurisdiction on the part of Commercial Travelers would not answer all the questions FTC has in mind, even though it would be a significant test.

As for the report that FTC plans to call dissatisfied policyholders to testify in support of its complaints, there was no confirmation from FTC. However, the commission customarily hears so-called "victim" witnesses. These witnesses may volunteer to testify, but generally they are subpoenaed. FTC does not ordinarily release the names of witnesses in advance of hearings.

Obviously motivated by the FTC's position that some states do not exercise control over A&H advertising, Commissioner Cravey of Georgia has told insurers selling A&H and hospitalization insurance in Georgia to clear their advertising on such policies with his office. Cravey also banned the sale or advertisement of these policies under a "trade name as a plan" on the ground that some insurers are "misleading the public." The order, effective within 60 days, does not apply to non-profit groups such as Blue Cross and Blue Shield.

### Williams Comments on Impact

The impact on the A & H business as a whole of the FTC charges against 17 companies is not yet discernible, but even if all the charges are substantiated, it is certainly not condemnation of the business nor even of the companies involved. James R. Williams, director of public relations of H & A Underwriters Conference, told members of Indianapolis A & H Assn. at their November luncheon meeting.

Many A & H companies have been in

the business for half a century or more, Mr. Williams pointed out. If they had not been giving service simple economics would long ago have forced them out of the business.

While all the accusations that have been hurled against the business and all the investigations that have been undertaken have made A & H look like the delinquent in the insurance family, the fact remains that the business has been paying out billions in claims year after year and has been developing new coverages to take care of the constant changes in medical economics, he said.

The good the business has been doing, and its flexibility in meeting changing conditions has not been well publicized, the speaker charged, declaring that the front line of public contact, the agent, should be doing more to let the public know how the business is serving.

There are two basic sources of misunderstanding of the A & H business, Mr. Williams said. The first is the fact that loss in every other form of insurance is subject to fairly objective measurement. In A & H, the measurement is more subjective. It is difficult for physicians themselves to measure degrees of health with exactness. The other basic source of misunderstanding is that the public does not realize that medical care deserves the same budget priority as food, clothing, and shelter. "It is not the function of insurance to pay every cost of illness down to the routine office call or dental examination. The function of insurance is to prevent financial hardship," he declared.

Whatever the findings of investigations, Mr. Williams concluded, service to policyholders is the basis on which final judgment of the A & H business will rest.

### NAII Asks Amicus Curiae Role in NYFIRO—N. A. Case

(CONTINUED FROM PAGE 1)

available to others the basis of its filed rates."

If the statute is construed in the manner urged by NYFIRO, NAII says this would be destructive of competition and might have the effect of freezing the fire business in the hands of existing companies. "Furthermore, should such construction be applied hereafter to the casualty business, the existence of NAII companies might be threatened and the public deprived of the benefit of the competitive rates it has enjoyed in the field since the decision of the SEUA case."

The brief goes on to refute the argument of NYFIRO that the department ruling might cause industry chaos, rate wars and insolvencies. These possibilities are based on the false assumption that competition would be unrestrained, the brief says. These contingencies are guarded against in the model rate regulatory laws.

"No such adverse effect...has occurred in the (casualty) field where independent operation has flourished side by side with rating bureau operations," the brief goes on. "The propriety of such operation in the casualty field under substantially similar statutory provisions has never been questioned. The powers vested in the insurance officials over all rates...have safeguarded the public against inadequate rates and company insolvencies."

B. M. Webster of New York is attorney for NAII in this matter.

The five-judge appellate division court in New York was scheduled to hear arguments Nov. 10 at 2 p.m. in

New York. Fire Insurance Rating Org.'s application for an injunction against North America's filing of dwelling rates which are approximately 10% lower than those of NYFIRO. The insurance department approved the filing but the appellate division granted the rating organization a temporary stay.

### French Government Insurer Sues for Florida Approval

(CONTINUED FROM PAGE 1)

1953, it deposited with Miami Beach First National Bank \$100,000 for the protection of policyholders in the U.S.

Before transacting business under its deposit and trust agreement, Caisse Centrale presented the matter to the insurance commissioner and attorney general of the state.

In 1953 Florida passed legislation expressly designed to permit transaction of business in that state by foreign insurers on deposit of minimum capital required of like domestic stock insurers. The amount required varies between \$100,000 and \$300,000 of trusted assets under a deed of trust.

The Miami bank and Caisse have executed such a deed and deposited \$300,000. Caisse sent a copy of the deed to the commissioner. A deputy commissioner approved the documents. This approval was intended to be and was recognized by the parties as informal approval of the form and contents of the deed, and the power of attorney to the U. S. manager (Frank Gabor of Miami) to administer the funds and other documents in relation thereto.

On Aug. 19, 1954, Caisse applied to the commissioner for formal written approval of the documents. It was advised that serious objections had been made to such approval by other persons and corporations on the ground that the stock is owned by the Republic of France, which, the petition states, is true. Because of these objections the commissioner indicated he could not and would not issue written approval. However, he indicated, Caisse could request a hearing, but the commissioner indicated, according to the petition, that he would not approve Caisse because the stock is owned by France and for no other reason.

Assets of Caisse are \$49 million, the petition states. It is fully qualified to transact business in Florida. While the stock is owned by the Republic of France because of unusual conditions in that country, the operation of the company is by directors and officers in the spirit of free enterprise, just as business of other reinsurance. The business of the company isn't conducted by officials of France.

The statute, 31.616, expressly permits alien insurers to transact business in Florida on compliance with the requirements. It does not prohibit such operation because it is owned by the government of a foreign country, the petition states. The statute further directs the commissioner to approve the deed of trust. Statute 626.15 requires the commissioner to issue a certificate of authority to a foreign insurer that has complied with the requirements.

### New Missouri OD Reductions

Superintendent C. Lawrence Leggett of Missouri has ordered a reduction of 60% below 1952 rates on specific occupational disease coverage. The reduction is an addition to those listed in the Oct. 28 issue of THE NATIONAL UNDERWRITER.

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### TRANS-CANADA ASSURANCE AGENCIES, INC.

LLOYD'S AGENTS

SPECIAL RISKS — SURPLUS LINES —

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## Giant North America "Ad" Features History and Free Enterprise

One of the biggest advertisements in the history of insurance company advertising is published in *Newsweek* magazine this week by North America companies. It runs for six consecutive pages. It is appearing in *Newsweek's* domestic edition of Nov. 15 and in the overseas edition of Nov. 22. N. W. Ayer & Son is the advertising agency.

Four pages are devoted to reprints of photographs, featuring historical scenes that symbolize America's heritage, such as the interior view of the Jefferson memorial in Washington, a colonial room in restored Williamsburg, and Old Ironsides at its dock in the Boston navy yard. The first page introduced the photos, the sixth explains how North America has been serving the public interest since 1792.

North America states on the sixth page that it is dramatizing the free enterprise system because the companies themselves are aiming at more independent status in the insurance business, and feel that a reasonable degree of competition is desirable. "We intend to keep on simplifying and improving insurance. Our aim—and indeed, our obligation as a free enterprise—is to make insurance broader in protection, more economical, and available to more people. This is free enterprise in action."

The North America companies have ordered a large number of reprints of the advertisement which will be sent to stockholders, employees, and agents as well as to educators and public officials.

"Voice of America" has asked for 10,000 copies of the reprint for distribution overseas.

## Wis. Mutual Insurers to Meet Next Week

MILWAUKEE—Wisconsin Federation of Mutual Insurance Companies will hold its annual convention here Nov. 15-16.

Robert Barber, West Bend Mutual, will preside at the opening session, at which speakers will be Elmer P. Steinbach, Mayville, president of Wisconsin Assn. of Mutual Insurance Agents; Elmer Possin, Kewaskum Mutual, president of Wisconsin 1752 Club; Harry Cooper, Jr., National Assn. of Mutual Insurance Companies; Gerry Seider, secretary, Badger Mutual, and Henry K. Duke, Cumberland, Md.

Tuesday's session will hear John B. Wilkinson, chief engineer of Wisconsin Fire Insurance Rating Bureau; Lloyd J. Yaudes, public relations director for Wisconsin Mutual Insurance Alliance, and Sylvester Schmelzer, Manitowoc. The industry movie, "Too Young To Burn," will be shown. The feature of the afternoon session will be a talk by Robert E. Templin, superintendent of agencies for Northwestern Mutual Life.

## Put Off Hearing on Farm Bureau Policy

The date for the hearing on the new alternative compensation policy proposed in North Carolina by Farm Bureau Mutual of Ohio has been postponed by Commissioner Gold to Dec. 14 at the request of counsel for North Carolina Automobile Rate Administrative Office. The office will probably contest the new policy on jurisdictional grounds.

Farm Bureau developed the policy and filed it first in North Carolina because of the flexibility of the laws in that state. It offered, at a rate of \$4.50 for six months and as an adjunct

to the company's auto liability policy, death benefits, hospital and medical expenses and would give anyone injured in an automobile accident the choice of accepting immediate compensation, regardless of fault, or pursuing the claim in court. The company has indicated the policy would not be filed in other states until North Carolina experience proved favorable.

## Second WUA Citation Given Paul Olinger

The second of the citations for exceptional contribution to the stock fire insurance business has been awarded by Western Underwriters Assn. to Paul B. Olinger, Cook county manager of Agricultural. Earlier this year, the first award was presented to Ray Kapp, Ohio state agent of Phoenix of Hartford.

Mr. Olinger before moving to Chicago, was in the Minnesota field for Agricultural and while there was president of Minnesota Fire Underwriters Assn. He helped organize and was the first president of Cook County Fire Underwriters Assn. and has served consistently as chairman of the exhibits committee of that group.

Presentation of the award was made by Walter Dithmer, assistant manager of WUA, at the November meeting of Cook County Fire Underwriters Assn.

Members of the association at the meeting saw the new WUA film, "How We Rate."

## Rating Bureau Issues Booklet on Criticisms to Help Reduce Errors

New England Fire Insurance Rating Assn. has published a pamphlet on criticisms which it is sending to agents. This is an attractive and friendly publication, entitled "Here Is How You Can Help" and should prove helpful in reducing errors in the preparation of policies which lead to criticisms by the rating bureau. The booklet is illustrated and done in two colors.

NEFIRA starts off by pointing out that the booklet is prepared by the rating organization as a service to all agents and for those who perform the important work of writing and endorsing policies. The first subhead reads, "Our Best Friends Are People." It points out that NEFIRA is not a state agency but a non-profit service organization supported by fire insurers. "We're not sore at anyone, not even when we send you a criticism notice," is the beginning of another section. The booklet goes on to tell what the stamping office does, to indicate where the most frequent errors are made, etc.

NEFIRA points out that to make the error-criticism system easier for everyone, NEFIRA sends the agent two copies of the criticism notice. One the agent keeps and the other he returns to NEFIRA with the correcting information. NEFIRA estimates that one of every 15 items handled contains one or more errors. The most common errors are the use of incorrect rates, incorrect figuring of premiums including endorsements and cancellations, omission of necessary forms or their improper use, incorrect occupancy shown, correct location not described completely, percentage of coinsurance not shown, and fire protection zone not included when necessary.

## Licensed in New Jersey

Germantown Fire of Philadelphia, Equity General of Miami, Security Mutual Liability of New York and Michigan Surety of Lansing have been licensed to do business in New Jersey. Security Mutual and Michigan Surety plan to establish agencies throughout the state.

## Casualty Actuaries Ready for Annual

Seymour E. Smith, associate actuary of the fire and casualty department of Travelers, will give his presidential address Nov. 19, the second day of the two-day annual meeting of Casualty Actuarial Society in New York. The report by Secretary-treasurer A. Z. Skelding, assistant manager of National Council on Compensation Insurance, also will be given at this time.

Panel discussions Nov. 18 will cover "Progress Through Research" and "A Constructive Look at Social Security—Value vs. Cost". That evening there will be cocktails and a dinner, to be addressed by a guest speaker. To take place on the second day are admission of new fellows and associates, election of officers and council members, action on amendments to the by-laws, discussion of previous papers and presentation of new ones.

## John C. Litcher Joins American Appraisal Co.

John C. Litcher has been appointed manager of the insurance department of the American Appraisal Co. to handle special insurance appraisal problems and be technical adviser on insurance matters. Mr. Litcher's underwriting experience includes several years as assistant manager for American-Associated at Milwaukee and as superintendent of field operations at St. Louis.

## 3 New Cincinnati CPCUs

New CPCUs from the Cincinnati area who will receive their designations at the all-industry luncheon next Tuesday are G. P. Hoenk, Hamilton, underwriter Ohio Casualty; C. M. Yelton, Cincinnati, underwriter Manufacturers & Merchants Indemnity, and J. C. Scanlon, Cincinnati agent. Mr. Scanlon is also a CLU. R. M. Morse, Philadelphia, assistant dean of the American Institute, will make the presentations.

## 1954 Philadelphia Phone Book Now Off the Press

The National Underwriter Co. has just published the 1954 edition of the Philadelphia Insurance Telephone Directory, in which are listed the names addresses and telephone numbers of persons and companies active in insurance in Philadelphia. Copies may be ordered from the National Underwriter Co., 420 E. 4th Street, Cincinnati 2, Ohio. The price is \$1.00.

## N. Y. Brokers Protest Musicians' Cover Plan

Greater New York Insurance Brokers Assn. has protested the operation of the newly organized Musicians Service Corp., which proposes to act as agent in placing welfare fund insurance for members of Musicians Local 802 AFL. In a letter to Superintendent Bohlinger, the association, through its law firm, Danahy, Delaney & Minetti, claims the plan violates the spirit and the letter of the insurance law. It pointed out that the corporation is referred to as philanthropic and nonprofit, but that inspection of the certificate of incorporation revealed it was incorporated under article 2 of the stock corporation law, under which ordinary profit corporations are organized.

The brokers also wanted to know the sublicensees. It also stated that it appears the corporation would obtain all its business from its own association, which, it asserted, violates the law.

In answering the letter, Mr. Bohlinger pointed out that section 119, subdivision 4, applies only to licensed brokers and has no application to an agent licensed under section 113, under which the musicians agency corporation was licensed as an agent for A&H.

While section 119, subdivision 4 is not applicable to an agent licensed under section 113, the law does contain, in section 209, a provision which prohibits rebates to a life and A&H policyholder, but, based on the information the department has of the proposed plan of operation, this section would also not be violated, he wrote.

He gave the name of the only sublicensee as Cornelius Sacco, secretary and treasurer of the organization, and added that he would be pleased to discuss the matter with the brokers if they so desire.

A spokesman for the department said that since there was no violation of the insurance law either in the plan of the corporation or in its proposed action as an agent, the only alternative the brokers have is to seek legislative relief.

## Surety Underwriters in Chicago Plan Election

Election and installation of officers of the Surety Underwriters Assn. of Chicago will be held at the organization's annual fall dinner Nov. 17 in the Edgewater Beach hotel.

### Discuss Package Policy in Mich.

Leon A. McVoy, former president of the Michigan Assn. of Insurance Agents, was the moderator of a panel on the package homeowners policy at a meeting of the Grand Rapids Assn. of Insurance Agents. Members of the panel included William A. Pollard, Donald A. Cameron, Robert Moriarty, Richard O. Sprague, and William W. Page.

# Reinsurance

## A. E. STRUDWICK CO.

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## Rate Hike, 7-Class Plan Filed in Okla.

The 7-class plan of National Bureau for private passenger cars and a 22% increase in the rate level have been filed in Oklahoma. The new plan and rates are proposed to be effective Dec. 8. The 7-class plan is presently effective in 40 states and District of Columbia.

Auto liability rates have not been changed in Oklahoma since Sept., 1951, though there have been two upward rate revisions in most states since then. The proposed revision for Oklahoma will result in a state-wide average increase for bodily injury and property damage liability, combined, of approximately 22%, about \$6.75 a car. The present average rate for BI and PDL for private passenger cars in Oklahoma is only 6% above the average in 1939.

Farmers and clergymen under the new plan will receive a 20% discount instead of 15%.

In territory 1, Tulsa and vicinity, present premiums for classes 1, 2 and 3, are \$33, \$47, \$45, respectively. Proposed premiums for the seven classes 1A, 1B, 1C, 2A, 2B, 2C and 3, are \$34, \$39, \$48, \$61, \$70, \$85, and \$56, respectively.

## Cal. Mutual Managers Hold Annual Convention

California Mutual Insurance Managers held its annual convention at Carmel, with A. Mason Blodgett, Factory Mutual Liability and Automobile Mutual, as general chairman.

Charles Brown, American Mutual Alliance, led a discussion of general problems of mutual companies. John Drenth, Employers of Wausau, discussed the new WC policy. C. F. Fierce, Oregon Mutual Fire, discussed a proposed mutual insurance institute in California.

Brook Davis, Lumbermens Mutual Casualty, and Moulton Gough, Employers of Wausau, discussed UJ insurance and Jack Jones, Oregon Mutual Fire, talked on the new home owners policy forms.

## Law Revisions Expected in 1955 in Wyo., W. Va.

Commissioner Taft of Wyoming has indicated that a complete revision of the state's insurance code will be proposed at the 1955 session of the legislature. Mr. Taft has been working with a legislative committee. The department's powers of regulation would be increased.

In West Virginia, legislation is expected to be introduced which would revise the countersignature law, give the insurance department authority to impose fines on insurers, increase the department's budget, provide for licensing of resident brokers, clarify the law dealing with the making of rates by the Fire Rating Bureau, and set up A&H standards of cancellation, misleading advertising, etc.

## Smith Elected in Del.

Harry Smith, a Democrat, was elected insurance commissioner of Delaware. The Democrats won other important political posts in the election. Mr. Smith will succeed William R. Murphy in January.

## Casey Heads Norbit Guards

John J. Casey was elected president of Norbit Guards, the 25-year employee association of North British group. He is general agent of the eastern department at the home office. Other officers are Harry G. Thomas, vice-president; Antoinette McElroy,

secretary; and Nettie Pesinger, treasurer. The annual reception and dinner of the organization will be in New York City Nov. 18.

## CIO to Shape Welfare Ethics at N. Y. Hearing

Key insurance company figures will participate in a hearing to be conducted in New York City Nov. 22-23 by the CIO ethical practices committee, whose recommendations, probably including a set of minimum standards for operating pension and welfare funds, will be taken before the CIO convention at Los Angeles Dec. 6.

Invited to a round-table discussion Nov. 22 have been vice-presidents Henry S. Beers of Aetna Life, Gilbert W. Fitzhugh of Metropolitan, Nathaniel E. Horelick of Equitable Society, and Edmund B. Whittaker of Prudential. Also around the table will be Abraham Ozeroff, president of Hospital Service Assn. of Pittsburgh and representatives of CIO steelworkers, auto workers, and electrical workers unions.

Also scheduled to appear Nov. 22 are Superintendent Bohlinger of New York, C. A. Kulp, Wharton school, and Arthur Altmeyer, former social security commissioner.

The ethical practices committee is headed by Jacob S. Potofsky, president of Amalgamated Clothing Workers of America. Members are union executives. A questionnaire sent by the committee to CIO national union affiliates, seeking information on pension, insurance and other welfare funds, was really aimed at the nationals' respective local unions, which are mainly responsible for abuses. Information was requested on funds and programs, forms of administration, auditing, methods of placing insurance and costs.

## Retired Agent Leaves Bulk of \$300,000 to Aetna Fire

Frederick W. Mathews, who joined Aetna Fire in 1896 and retired in 1914 as special agent at Boston, left the company the bulk of his \$300,000 estate. The bequest, for "the company's great kindness toward me," is unusual in that an individual does not often leave money to a corporation.

Executors estimate Aetna will receive \$200,000 in 40 years. After the death of the five persons named in a trust fund, \$1,000 from the principal will go to four institutions. Aetna will get the balance. The company's board hopes that directors then will consider a recommendation to set aside the money as a special fund in memory of Mr. Mathews, to be paid to deserving pensioned employees.

During his retirement Mr. Mathews received \$92,300 in pension payments, and thus repaid the company more than twice as much as he received.

## Tygverts of Yorkshire Elect Officers, Dine

Tygverts Assn., organization of Yorkshire staff members with 25 years or more service, named George Senn, assistant secretary, president at its annual meeting and dinner in New York City. Other officers are Robert Deverall, vice-president; Louis A. Loesch, secretary; and Eleanor McComiskey and John Yonkus, executive committee.

Alan O. Robinson, president of the company, spoke.

## Hill Retires From N. C. Fire Rating Bureau

Landon Hill, adviser and consultant of North Carolina Fire Insurance Rating Bureau, is retiring. He was honored by the bureau at a testimonial

## Late News Bulletins . . .

(CONTINUED FROM PAGE 1)

developed through consultation between industry and FTC. FTC can best aid in attaining truth in advertising by making it possible for every business man to abide voluntarily to its laws, he said. He added he believes advertisers would agree that industry cannot preserve the integrity of advertising without FTC help.

## Hearing on Withholding for A&H Payments

WASHINGTON—Representatives of H&A Underwriters Conference, Bureau of A&H Underwriters, Life Insurance Assn. of America and American Life Convention met with Treasury officials to protest against a Treasury interpretation of section 105 of the new revenue code which would make insurers responsible for withholding income taxes on loss-of-time A&H benefits to the extent they are taxable under the new code.

The two life organizations filed a brief, which was endorsed by the two A&H organizations. The brief pointed out that the law changed only the tax sections of the law, not those relating to withholding, and did not change the definitions of employer, employee or wages. The brief also emphasized that the law refers to those "in control" of the payment of wages and the lack of information in the hands of insurers on which to base the amount of withholding shows that insurers do not have the degree of control contemplated in the law.

## New Floater Issued by IMIB

NEW YORK—Inland Marine Insurance Bureau has issued forms, rates and rules for the camera and musical instrument dealers floater, to be effective as to policies attaching on and after Jan. 1 and in case of open policies attaching prior to Jan. 1, on the first anniversary date after Jan. 1. This is the first time IMIB has assumed jurisdiction of the cover, some of which has been written by individual insurers. The filing is applicable in all jurisdictions in which IMIB is licensed except Florida, Hawaii, Iowa, Michigan, Pennsylvania, Texas and Wisconsin. The bureau is not licensed in Missouri but that insurance department has indicated the form is not permissible.

Annual policies or reporting forms may be issued. Each risk is to be submitted to IMIB for rating and annually for rerating, as is the jewelers block. It is interesting to note that the equipment dealers form was rated by companies individually for a time but this did not prove successful and since last Jan. 1 the bureau has rated this form.

The coverage is basically fire and the specific annual fire contents rate on an 80% coinsurance basis, then the charges for the other coverages are made.

A new approach to an old problem for all insurance lines is the debits for large cities. There is a credit of 20% for population of 50,000 or less, and a 20% debit for over 500,000, and 30% for over one million. There are credits for alarms.

## Endorse Accident Cover on Auto Policy

Travelers is endorsing the automobile liability policy with an accident coverage in California and calling it the motorist's personal protection plan. This is a weekly indemnity, in amounts \$25 to \$50, and death indemnity, \$5,000 to \$10,000, auto accident coverage, available to insured and wife if she earns money. The weekly indemnity is for total disability. The premium is \$3 to \$6 for weekly and \$2 to \$4 for principal sum.

This is substantially the \$10 auto accident policy sold for years by many companies but which has never been particularly successful because of lack of volume. However, the merchandising idea behind the Travelers move in California is new. It offers coverage, of course, irrespective of whether the other automobile is insured for liability, insured would start receiving payments immediately, and the payments do not affect his right to proceed against the other party.

Use of the cover as an endorsement to the auto policy is not common, but such use is not prohibited by National Bureau rules. The coverage was discussed as a possible optional feature when insurers were working out the extended medical payments. There could be questions of definition of the cover as A&H or auto and therefore of jurisdiction in some states other than California, where the requirements make it easy to try something before proving it. However, if the cover sells well in California undoubtedly Travelers will introduce it elsewhere.

dinner on the occasion of his 65th birthday anniversary and retirement. He began his career in 1908 with the stamping office of the former South-eastern Tariff Assn., and became assistant manager of North Carolina Inspection & Rating Bureau in 1912.

From 1914 to 1925 he was state agent in North Carolina of New York Underwriters. He became manager of the bureau in 1925 and held that position until the present bureau was created in 1945 and he was elected manager. He relinquished managerial functions in 1952 because of ill health and has been doing research work and acting as consultant.

## 100 Years, \$100

Phoenix of Hartford has come up with a new way of celebrating its 100th

anniversary. It gave \$100 savings bonds to all regular full time employees—total cost, \$100,000.

## Rochester Drive-in Agency Represents Safeco

The Drive-in-Agency, said to be the first of its kind licensed in New York by Safeco, has opened for business at 583 Main street east, Rochester.

The new enterprise is an affiliate of James H. Hamill Associates, which opened a ground floor insurance office in 1951 at 51 Elm street. The staff of 12 agents will handle auto, fire, casualty, life, accident and health insurance and bonds.

Present for the opening was Floyd Robbins, eastern vice-president of General of America, parent company of Safeco.

# Prize Package for your Pleasure and Profit!



A man's work should yield pleasure as well as profit. In that respect, insurance men are fortunate. When disaster strikes your insureds you know that your services have greatly reduced the financial loss. There's satisfaction—pleasure—in such knowledge. And never more so than when you have placed the risk with such a fine old company as Dubuque F. & M. Dubuque's multiple line facilities have recently been expanded—greatly increasing your opportunities for pleasant profits. Ask us for the interesting details.

MULTIPLE LINE FACILITIES

**DUBUQUE FIRE & MARINE**  
Insurance Company  
Dubuque, Iowa



**N**AME

Pawtucket Mutual derived its name from an Indian word meaning "at the falls" and refers to its location in Pawtucket.

**O**RGANIZATION

Pawtucket Mutual is proud of its organization consisting of efficient Home Office personnel supported by a well-trained Field Force servicing a widespread group of agents.

**P**ERFORMANCE

One of the dominant issues responsible for Pawtucket Mutual's position in the insurance industry is the faithful performance of its many duties.

**Q**UALITY

The quality of its assureds has been instrumental in keeping Pawtucket Mutual losses to a reasonable figure.

**PAWTUCKET MUTUAL**  
INSURANCE COMPANY

25 MAPLE STREET, PAWTUCKET, RHODE ISLAND



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We are looking for qualified agents to help us expand our services. If you are looking for new ways to increase your volume, why don't you contact us? Simply write to . . .



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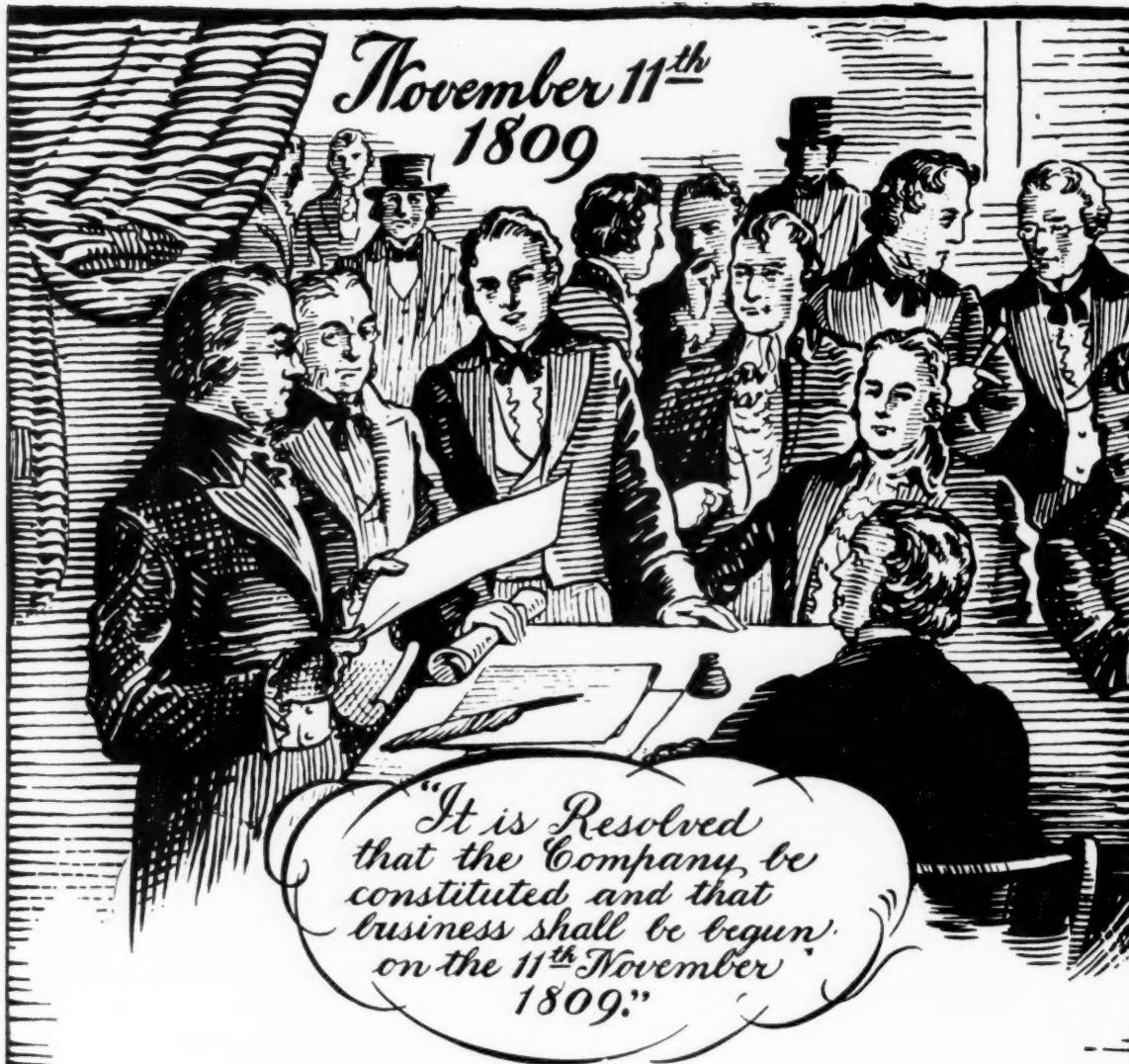
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GORDON S. YEARGAN  
president



*In the one hundred and forty-five years that have passed since its organization, the "North British and Mercantile" has breasted the waves of every economic crisis and has basked in the sunshine of good times; but successive generations of its management have never lost sight of the necessity for underwriting, investing and managing for the long pull so that in good times or bad all the Company's obligations could be met, as they have been, promptly and under every condition.*

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NORTH BRITISH AND MERCANTILE  
INSURANCE COMPANY LIMITED



**1809 - 145 Years of Stability and Enterprise - 1954**